



Reservoir Committee/Authority Board Meeting

Sept. 18, 2026

9:00 a.m. – 12:00 p.m.

Virtual Meeting Link

Call in: (916) 538-7066

122 Old Hwy 99W, Maxwell, CA 95955
(additional locations below)

Code: 813 599 474#

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)

AGENDA

ROLL CALL & CALL TO ORDER:

- Introduction
- Pledge of Allegiance
- Approval of meeting agenda, September 18, 2026
- Announcement of Closed Session
- Period for Public Comment

People may speak about any subject of concern, provided it is within the Reservoir Committee's (RC) and Authority Board's (AB) jurisdiction. Before speaking, you must submit a public comment card electronically or on paper. The time allotted for receiving such public communication shall be 3 minutes per person. Note: No action shall be taken on comments made during this period. If your comment is related to a specific agenda item, please indicate this on your comment card, and you will be called upon at that time.

1. **Consent Agenda:** Approximate start time 9:10 a.m.
The Executive Director reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person. Each item indicates the body authorized to approve such actions according to the JPA, Bylaws and Project Agreement.
 - 1.1 Reservoir Committee and Authority Board consider approval of August 21, 2026 Reservoir Committee and Authority Board Meeting Minutes.
 - 1.2 Reservoir Committee and Authority Board consider approval of September 10, 2026 Special Meeting of Reservoir Committee and Authority Board Meeting Minutes.

- 1.3 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Treasurer's Report.
- 1.4 Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims.
- 1.5 Reservoir Committee and Authority Board consider approval of Resolution 2026-01 approving draft of Sites Project Authority's amended Conflict of Interest Code and direct Authority staff and consultants to take such actions as are necessary and appropriate to process and submit amended Code to the California Fair Political Practices Commission.
- 1.6 Reservoir Committee and Authority Board consider approval of a task order amendment with Somach Simmons & Dunn for additional water right legal services support in the amount of \$300,000, increasing the 2026 not to exceed amount from \$550,000 to a revised 2026 not to exceed of \$850,000.

2. **Action Items:** Approximate start time 9:15 a.m.

- 2.1 Reservoir Committee and Authority Board consider authorizing the Executive Director to sign the Excess Capacity Agreement with Reclamation upon confirmation of conformance with the final approved water right.
- 2.2 Reservoir Committee and Authority Board confirm conditions precedent are sufficiently met for start of investor commitment.
- 2.3 Reservoir Committee and Authority Board consider acceptance of the Sites Project Baseline Report.
- 2.4 Reservoir Committee and Authority Board confirm Benefits & Obligations Contract, updated Bylaws, amended and restated Joint Powers Agreement, and Operations Plan are substantially complete, with remaining items limited to recommendations from the Project Alignment Ad Hoc.
- 2.5 Reservoir Committee and Authority Board consider approval of Resolution 2026-02 to offer capacity in the Sites Reservoir Project based on substantial completion of Conditions Precedent and contingent on completing certain remaining items coincident with the anticipated approval of the Sites Water Right by the State Water Resources Control Board, anticipated to occur November 4, 2026.

3. **Reports:** Approximate start time 10:15 a.m.

3.1 Chairpersons' Reports

This time is set aside to allow the Reservoir Committee & Authority Board Chair/Vice-Chair an opportunity to disclose/discuss items related to the Project.

3.2 Committee & Workgroup Chairpersons' Reports

This time is set aside to allow the Committee & Workgroup Chairpersons an opportunity to disclose/discuss items related to the Sites Project. Agendas are located on the project website (sitesproject.org).

3.3 Authority Board & Reservoir Committee Participant Reports

This time is set aside to allow Representatives or their Alternates to disclose/discuss items related to the Sites Project.

3.4 Executive Director's Report

- Monthly status report
- Action items from prior meeting
- Work Plan Progress Report

4. **Closed Session:**

Approximate start time 10:30 a.m.

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

4.2 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

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

Contingency Land Acquisition Program

Agency negotiators: Jerry Brown, Kevin Spesert

Under negotiation: Price and terms of payment

Properties and negotiating parties:

Negotiating Parties	[Colusa County] APNs
Owens Trust	014-230-004
	014-230-005
	014-200-006
	014-200-007
	014-200-008
	014-240-002
	014-240-003
	014-240-004
	014-210-001
	014-210-002
	014-210-003

	014-240-005 014-240-006 014-210-005 014-210-006 014-220-001
Sites Living Trust	011-130-007 011-120-004 011-200-002
Parker Family Trust	011-200-008 014-070-023 014-070-024 014-080-020 014-080-012 014-070-022 014-080-019 014-080-016 014-080-017 014-170-014 014-170-015 014-170-016 014-180-013 014-180-002

5. **Report from Closed Session:** Approximate start time 11:25 a.m.
6. **Discussion and Information Items:** Approximate start time 11:30 a.m.
 - 6.1 Receive an update on the development of the Sites Project Agreements for use of local water conveyance infrastructure including the GCID Facilities Use Agreement, TCCA Facilities Use Agreement, and RD108 Operations Agreement.
7. **Recap:** Approximate start time 11:55 a.m.
 - 7.1 Suggested Future Agenda Items.
 - 7.2 Next Board Meeting, **Friday, October 16, 2026** (9:00 a.m. to TBD).

Meetings are held virtually and in the Maxwell Project Office.

ADJOURN

ADA Compliance: Upon request, agendas will be made available in alternative formats to accommodate people with disabilities. In addition, any person with a disability who requires a modification or accommodation to participate or attend this meeting may request the necessary

accommodation. Please contact the Board Clerk as soon as possible, preferably no later than 24 hours before the meeting begins, to request an accommodation or an alternative format.

This meeting will be recorded.

Alternate Meeting Locations:

Rosedale Rio Bravo Water District, 849 Allen Road, Bakersfield, CA 93314



Reservoir Committee/Authority Board Meeting

August 21, 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 9:04 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: 19 representatives (89.96%) were present, constituting a quorum.

INTRODUCTIONS:

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

Vice Chair Sutton joined the meeting at 9:10 a.m.

Director Roccucci joined the meeting at 9:20 a.m.

AGENDA APPROVAL:

ACTION RC: It was moved by Ms. Traynham, seconded by Ms. Pryor, to approve the August 21, 2026, meeting agenda. **Motion carried unanimously.**

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Vanderwaal, to approve the August 21, 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:

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Navarrot, to approve all items on the consent agenda. **Motion carried unanimously.**

ACTION AB: It was moved by Director Kaplan, seconded by Director Evans, to approve all items on the consent agenda. **Motion carried unanimously.**

- 1.1 Reservoir Committee and Authority Board consider approval of July 24, 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.
- 1.4 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Second Quarter 2026 Budget Financial Report.

2. ACTION ITEMS:

- 2.1 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.

Executive Director (ED) Brown introduced the 2026 mid-year budget review and explained that staff was seeking authorization for limited adjustments within the existing FY 2026 budget. Ms. O'Connell reported that expenditures remained within the \$30 million budget adopted in

October 2025, with no significant changes anticipated other than the proposed task order for limited geotechnical work.

Ms. O'Connell reported that additional federal funding, anticipated savings, and other revenues were expected to result in approximately \$11.7 million to \$12 million in carryover funding to support project activities through the first half of 2027. She explained that additional Bureau of Reclamation funding was anticipated as a result of partnership negotiations allowing in-kind recognition to be deferred to later project phases, as well as federal cost sharing associated with the previously acquired land. Additional revenue was also anticipated from interest earnings and rental income from Authority-owned property.

Staff estimated FY 2026 expenditures at approximately \$28.8 million, reflecting anticipated savings, underruns, and efficiencies. Ms. O'Connell noted that approximately \$1 million in interim and permanent financing program expenditures would be deferred to 2027, when the Authority anticipates its first short-term financing.

Staff recommended reallocating identified savings and underruns within the existing budget to fund limited geotechnical work through task orders with project consultants. Ms. O'Connell emphasized that the proposed reallocations would not increase the overall \$30 million FY 2026 budget. Staff anticipated returning in November with an updated work plan, proposed 2027 budget, and related contract authority increases.

In response to a clarification question asked by Chair Durst, staff clarified that the proposed adjustments included approximately \$1.2 million in additional work associated with the right abutment of Golden Gate Dam and explained the terminology used to identify the dam abutments.

Board members expressed support for the proposed reallocations and thanked staff for identifying savings that would provide funding through June 2027 while allowing resources to be directed toward priority project activities.

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

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

- 2.2 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.

Ms. O'Connell presented the request to authorize issuance of a Request for Proposals (RFP) for underwriting services for the Authority's anticipated first short-term financing. She explained that the Authority conducted a Request for Qualifications in October 2025 and established a financing pool from the 14 responding firms, 13 of which offered underwriting services. The proposed RFP would be issued to those 13 firms to select underwriting services for the initial short-term notes anticipated to be secured in 2027 following the initiation of Phases 3, 4, and 5.

Ms. O'Connell emphasized that issuance of the RFP would allow the Authority to prepare for financing but would not create a financial or contractual commitment to issue the notes. If initiation of Phases 3, 4, and 5 are delayed, the financing process would likewise be delayed. She stated that staff would return to the Board for the necessary approvals before proceeding with the short-term financing.

Board members discussed how the interest rate for the short-term notes would ultimately be determined. Staff explained that the Plan of Finance includes an estimated interest rate, but the actual rate would depend on market conditions and the Authority's creditworthiness at the time the notes are offered. The Board would have an opportunity to evaluate market conditions and determine whether to proceed before the notes are issued.

Mr. Smalls asked whether the notes would be publicly offered or directly placed and staff explained that the financing structure would be further evaluated through the RFP process and that the financing team was beginning preparations for the required disclosure documents. Board members noted that preparation of the Authority's initial disclosure documents for a public offering could require additional time, and staff indicated that the procurement was being initiated early to allow sufficient time for those preparations.

ACTION RC: It was moved by Ms. Traynham, seconded by Mr. Navarrot, to recommend approval of agenda item 2.2 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Evans, seconded by Director Vanderwaal, to approve agenda item 2.2. **Motion carried unanimously.**

- 2.3 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.

ED Brown introduced the updated Project Schedule, explaining that staff had reviewed the schedule in greater detail in preparation for investor commitment. He noted that the extended water right process had delayed the anticipated project start and affected the overall schedule because the water right remains a critical path activity.

Mr. Robinette presented the updated schedule and reported that the schedule assumes financing proceeds will be available by March 2027, which is critical to beginning construction enabling activities within required seasonal work windows. Based on the updated schedule and spend curve, the Resolution to Construct contemplated under the Benefits & Obligations Contract (B&O) is currently anticipated in late 2028 to mid-2029.

Mr. Robinette further explained that the updated schedule and associated spend plan will support development of the Project Baseline Report and inform the Plan of Finance, including participant cost and cash flow projections.

Board members discussed opportunities to expedite the schedule, including whether value engineering or other efficiencies could shorten project delivery. Mr. Robinette explained that the schedule reflects the best current understanding of construction sequencing and duration but does not assume that all potential schedule saving opportunities will be realized. Opportunities to accelerate portions of the work will continue to be evaluated.

The Board also discussed weather and seasonal risks to field activities. Mr. Robinette explained that the schedule accounts for normal seasonality and that some near-term activities, including land acquisition and certain surveys, can proceed despite wet conditions. However, field work will be necessary to improve cost certainty and support upcoming Board decisions, and missing critical seasonal work could result in additional schedule delays.

Board members asked whether approval of the schedule would limit the Authority's ability to adjust future financing or expenditures. Staff clarified that the schedule and spend plan provide a forecast for the Baseline Report and Plan of Finance and do not constitute a project budget.

The Board also discussed when participants would need to select their financing approach. Staff explained that participants would have opportunities to elect pay-as-you-go financing options in advance of each financing, with those elections affecting the amount ultimately taken to market.

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Kunde, to recommend approval of agenda item 2.3 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Kaplan, seconded by Vice Chair Sutton, to approve agenda item 2.3. **Motion carried unanimously.**

3. DISCUSSION AND INFORMATION ITEMS:

3.1 Review and comment on August 2026 Plan of Finance Update.

Ms. O'Connell presented the August 2026 Plan of Finance Update, noting that the underlying \$7.5 billion project cost estimate in 2024 dollars remains unchanged. She identified three primary changes since the January 2026 update: incorporation of the updated construction schedule, actual escalation through 2026, and an increase in State funding from approximately \$1 billion to \$1.363 billion.

Ms. O'Connell reported that the updated escalated project cost increased from approximately \$9.4 billion in January to \$9.9 billion, reflecting the revised schedule and escalation assumptions, partially offset by increased State funding. She reviewed updated financing scenarios and associated participant debt service and noted that interest rates and escalation remain significant variables affecting overall project affordability.

Ms. O'Connell also presented preliminary updated variable operating costs but noted that those costs had not yet been incorporated into the Plan of Finance pending issuance of the water right and updated modeling of project operations. Updated participant-level cost tables would be provided in the participant folders.

Board members discussed the effect of the revised construction schedule and escalation assumptions on the projected project cost. Staff explained that the increase reflects both higher than anticipated escalation through 2026 and the shift in the project schedule, noting that delaying expenditures increases costs as escalation compounds over time. The Board also discussed the importance of evaluating opportunities to compress the schedule where feasible to reduce escalation impacts.

Discussion also addressed interest rate assumptions and financing strategies, including the timing of short-term financing, revenue bonds, and WIFIA financing. Staff emphasized that actual financing decisions would be based on market conditions at the time and encouraged

participants to use consistent assumptions when comparing Sites with other water supply investments.

Staff further clarified the participant financing options and timing for selecting PAYGO or financed participation and confirmed that variable operating costs will be incorporated once the water right and updated operational modeling are available.

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

Mr. Robinette presented the revised August 2026 Project Baseline Report, explaining that the report is intended to provide participants with the information needed to support upcoming investor commitment decisions. He noted that the draft incorporates feedback received at the July Board meeting and updates related to the project schedule, Plan of Finance, governance, cost management, and supporting attachments.

Mr. Robinette reviewed newly developed baseline metrics intended to provide consistent benchmarks for tracking project benefits, costs, financing, operations, and schedule. He noted that several benefit operational metrics remain pending issuance of the water right and updated modeling.

Mr. Robinette reported that remaining work includes incorporating the water right, completing risk discussion and supporting information, and finalizing formatting, definitions, and links. Participants were asked to provide comments by the end of August to support posting an updated report in early September.

Board members expressed appreciation for the breadth of information developed for the Baseline Report and discussed how the summary metrics could be most useful to participants and their governing boards. Members suggested including an additional cost metric that would allow comparison with other projects stated in current dollars incorporating variable operations and maintenance information into the summary metrics when available.

The Board requested additional supporting information regarding project benefits and operational modeling, including a summary of CALSIM modeling assumptions and results, participant delivery information, and one-year and three-year maximum deliveries. Staff agreed that a high-level modeling summary could be included as an attachment with links to more detailed technical information, allowing the Baseline Report itself

to remain manageable while preserving access to supporting documentation.

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

Ms. O'Connell provided an update on the Water Infrastructure Finance and Innovation Act (WIFIA) and U.S. Department of Agriculture (USDA) loans. She reported that the WIFIA loan terms remain generally unchanged since the November 2025 update and that staff continues to work through two outstanding issues related to participants representing 5% or more of the financing: the potential consequences of a material participant bankruptcy and EPA consent requirements for certain sales or transfers of capacity.

Ms. O'Connell also reported that the Authority has a USDA Letter of Conditions for a \$449 million loan, but certain terms are more restrictive than the WIFIA terms and could result in additional project costs. Staff sought Board concurrence to engage USDA regarding potential revisions to better align the loan terms with the Authority's overall project financing approach and maintain the USDA loan as a viable financing option.

Board members discussed the WIFIA provisions related to a material potential bankruptcy, including the potential effect on the Authority's ability to continue drawing funds and the possibility of an increased default interest rate. Staff noted that legal counsel is involved in the discussions and that the Authority intends to continue pursuing clarification revisions, particularly because staff understands similar provisions have not been included in other WIFIA loans to California Joint Powers of Authority.

The Board also discussed how WIFIA financing would interact with PAYGO participation and revenue bond financing. Staff explained that participants electing financing would participate in the overall financing pool, with WIFIA expected to provide the lower cost portion of long-term financing and revenue bonds funding the remaining need.

Board members supported staff continuing discussions with USDA regarding revisions to the Letter of Conditions to make the loan terms more workable for the project.

- 3.4 Review and provide input on guiding principles and priority areas for negotiations with the California Water Commission on the Water Storage Investment Program Final Funding Agreement.

ED Brown presented proposed guiding principles and priority areas for negotiations with the California Water Commission (CWC) regarding the Water Storage Investment Program Final Funding Agreement. He explained that the Final Funding Agreement governs disbursement of State funding and will not be executed until the CWC makes its final funding award, which is dependent upon the execution of the public benefit contracts. Staff identified potential areas of conflict between the CWC's template funding agreement and the Authority's Benefits & Obligations Contract and requested Board input on the proposed priorities for discussions with CWC.

ED Brown explained that staff and legal counsel had identified approximately 20 issues and prioritized those presenting the greatest potential risk or inconsistency with the Authority's governance and contractual framework. Staff intends to work with CWC over the coming months to clarify or, where possible, revise those provisions before the final funding award.

CWC Executive Officer Laura Jensen stated that the Commission has conditionally committed approximately \$1.3 billion to the Sites Reservoir Project and is committed to working with the Authority staff and legal counsel to address identified concerns where possible. She emphasized that the Commission's role is to ensure appropriate stewardship of public funds rather than to supersede the Authority's governance, while noting that some provisions are standard State terms and may have limited flexibility.

Board members expressed general support for staff's proposed guiding principles and prioritization of issues. Discussion included the State's retention provisions, with staff explaining that similar provisions have been administered under the Authority's early funding agreement without significant difficulty. Board members suggested seeking additional clarity regarding the circumstances and timelines under which retained funds would be released.

The Board also discussed the relationship between the funding agreement and provisions addressing hydrologic and operational risk. Staff clarified that those risks are primarily addressed through the contracts for administration of public benefits and that the Final Funding Agreement is principally focused on the disbursement and oversight of State funds.

Board members expressed the importance of establishing timely CWC review of certain Authority actions, particularly capacity transfers that may be necessary to avoid a participant default.

Ms. Jensen confirmed that the Authority's anticipated schedule could be accommodated by CWC and that Commission staff would coordinate with Authority's staff regarding interim deadlines necessary to support a final funding hearing.

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

Ms. Forsythe provided an update on discussions with the Colusa Drain Mutual Water Company regarding an agreement addressing potential impacts associated with the Sites Project water right and releases of Sites Project water into the Colusa Basin Drain. She explained that discussions have progressed over the past several months and that the proposed agreement would generally parallel the Authority's agreement with Maxwell Irrigation District.

Ms. Forsythe explained that the agreement is intended to protect existing senior water rights held by shareholders along the drain and establish procedures for communication and coordination regarding project operations. The agreement would include development of a Colusa Basin Drain Coordination Plan addressing releases, information sharing, and communication among affected interests. It would also recognize that Sites Project water developed under the Sites water right is not available for diversion by others.

Ms. Forsythe noted that staff will continue coordinating with the Colusa Drain Mutual Water Company and local interests and anticipates returning to the Board with a final agreement for approval.

Board members expressed support for the proposed coordination and communication framework and discussed the importance of including other interests along the Colusa Basin Drain because not all landowners are shareholders of the Colusa Drain Mutual Water Company. Ms. Forsythe acknowledged that additional coordination will be necessary to ensure the broader group of affected interests is appropriately included.

The Board also discussed potential impacts of Sites releases on other water users along the drain and importance of protecting Sties water from unauthorized diversion.

Ms. Forsythe noted that the agreement would include commitments to jointly develop the applicable operating and coordination plans, but that the detailed plans themselves would be developed subsequently in coordination with the affected entities.

4. Reports:

4.1 Chairpersons' Reports:

Reservoir Committee Chair Urkov stated that he had no report. Chair Durst reported on a meeting with representatives from the California Natural Resources Agency regarding the status of the Sites Project. He noted that the Agency expressed its continued interest in seeing the Sites Project receive a final funding award from the California Water Commission and discussed ways the State could help provide information needed to support upcoming decisions.

4.2 Committee & Workgroup Chairpersons' Reports:

Mr. Kunde reported that the Operations and Engineering Workgroup met the prior week and discussed cost management terminology and how different costs would be identified. Mr. Kunde reported that the Workgroup also reviewed the overall project schedule, expenditures, and spending plan. He noted that Mr. Natoli reviewed the Phase 3 goals with the Workgroup and sought feedback. Mr. Kunde stated that the Workgroup also spent time reviewing the pro rata equations contained in the B&O Contract, with consensus that it was appropriate for those equations to be addressed in the Operations Plan. He further noted that Ms. Forsythe provided a brief update on operations modeling and Mr. Robinette discussed geotechnical priorities.

ED brown reported that the Governance Committee met to discuss Zone 3 voting considerations.

Mr. Spesert reported that the Landowner meetings had been postponed until early October to better align with the anticipated revised draft water right.

4.3 Authority Board & Reservoir Committee Participant Reports:

None.

4.4 **Executive Director's Reports:**

ED Brown expressed appreciation to Zone 7 and Placer County Water Agency for independently communicating the importance of the Sites Reservoir Project to California's water supply and encouraged other participants to consider similar outreach.

ED Brown reported that staff had begun developing goals for 2027 and 2028 and anticipated undertaking an update to the Authority's Strategic Plan following the start of investor commitment. He noted that the current Strategic Plan, developed in 2020, has guided the Project through its current phase but will need to be updated to establish Board goals and priorities for the next phase of work.

ED Brown also reported that staff had begun preparing for the organizational changes necessary for the next phase of the Project, including development of policies, procedures, systems, processes, and organizational practices. He noted that this work would ultimately be informed by the Board's strategic direction and would include consideration of appropriate decision-making responsibilities.

CWC Executive Officer Laura Jensen briefly reported that the Commission had received its quarterly Water Storage Investment Program update, which included the Sites Project's recent activities and upcoming milestones, including the pending water right.

5. **CLOSED SESSION: 11:45 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)
Contingency Land Acquisition Program
Agency negotiators: Jerry Brown, Kevin Spesert
Under negotiation: Price and terms of payment
Properties and negotiating parties:

Negotiating Parties	[Colusa County] APNs
LaGrande, Sidney J & Paige A	011-160-004 011-160-005 011-160-006 011-160-007

Doherty, Maureen Lady Bug Trust	014-080-010 014-080-012 014-180-003 014-180-007
Edgar, David Wayne Et Al	011-172-002 011-172-003 011-172-004 011-172-005 011-174-001 011-174-011 011-160-003
Nokes, Lloyd J Jr & June E Trust	011-174-006
Nahol, David	011-173-005
Chism, James W & Diane C Trust	011-173-007 011-174-004 011-176-002
Muniozguren, Augustin	011-184-002

6. **REPORT FROM CLOSED SESSION: 12:45 PM**

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

7. **Discussion Items:**

- 7.1 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.

Mr. Robinette presented updated drafts of the B&O, Bylaws, and Amended and Restated Joint Powers Agreement (JPA). He explained that the July Board feedback had been incorporated along with targeted cleanup and revisions related to the pro rata equations. No substantive changes had been made to the JPA or Bylaws.

Staff reviewed remaining work, including recommendations from the Project Alignment Ad Hoc Committee, consistency with the CWC funding agreement and facilities use agreements, and final consistency review among the three governance documents. Staff also presented the Governance Ad Hoc Committee's proposed Zone 3 voting structure, which was developed to maintain voting parity following consolidation of several Sacramento Valley participants into Zone 3.

Staff anticipated posting final drafts before the September Board meeting and requested that participants identify any remaining substantive issues as soon as possible.

Board members discussed the proposed Zone 3 voting structure and confirmed that its intent was to preserve the relative voting balance that existed prior to consolidation. Staff explained that Zone 3 would determine representation for its allocated seats and that the proposed revisions would be incorporated into both the B&O Contract and Bylaws, as appropriate.

The Board also discussed provisions related to water dedicated to public benefits, particularly the emergency water supply benefit for municipal and industrial participants. Members emphasized the importance of preserving participants' ability to move and store Sites water south of the Delta in advance of an emergency so that water would be available when needed. Staff explained that discussions with the Department of Water Resources were ongoing regarding language that would preserve the emergency public benefit while providing sufficient flexibility for participants to move and account for the water.

Staff noted that the recommendations from the Project Alignment Ad Hoc Committee could result in additional revisions to the B&O Contract, Bylaws, or JPA and would be brought back to the Board in September.

- 7.2 Receive a status update on the Facilities Use Agreements with Glenn Colusa Irrigation District and Tehama-Colusa Canal Authority and review draft technical memoranda describing operations, maintenance, and replacement activities.

Prior to the presentation of item 7.2, Vice Chair Sutton and Director Vanderwaal left the meeting room.

Mr. Robinette provided an update on the Facilities Use Agreements with Glenn Colusa Irrigation District (GCID) and Tehama-Colusa Canal Authority (TCCA). Mr. Robinette reviewed the previously adopted Board principles for the agreements, including protection of exiting customers and water rights, level of service, wheeling costs, conveyance operations, and capital improvements, and described how those principles are reflected in the current drafts.

Staff also reviewed technical memoranda developed with the facility partners documenting existing operations and maintenance practices and available conveyance capacity. Staff proposed incorporating the technical memoranda into the agreements as a record of the parties' mutual understanding of current conditions and as a baseline for evaluating future changes.

Board members discussed the proposed conveyance loss assumptions, particularly the initial 12 percent loss factor identified for GCID facilities. Members requested that the agreement more clearly establish a process for determining actual losses based on operating conditions rather than relying on a fixed assumption and suggested documenting the technical basis for significant assumptions.

The Board supported using the technical memoranda to document current facility capacity and operating conditions and discussed incorporating them by reference into the Facilities Use Agreements. Members also suggested moving certain commitments identified in the technical memoranda into the agreements where appropriate.

Discussion also focused on wheeling rates and responsibility for future repair, replacement, and capital improvements. Board members requested additional clarity regarding the capital component included in the GCID wheeling rate and how it would relate to future capital contributions to avoid potential double counting. Staff explained the major future improvements would generally be addressed through separate agreements based on the benefits to Sites and the facility partner.

Mr. Holley left the meeting at 1:50 p.m.

- 7.3 Receive a status update on the Operations Agreement with Reclamation District 108 and provide feedback on any specific areas of concern.

Prior to the presentation of item 7.3, Chair Durst left the meeting room.

Mr. Robinette provided an update on development of an Operations Agreement with Reclamation District 108 (RD 108) and reviewed the proposed scope of work. Mr. Robinette explained that the Authority has worked with RD 108's local knowledge, proximity to the Lower Colusa Basin Drain, and relationships with affected agencies and landowners.

Mr. Robinette noted that the proposed scope includes stakeholder and agency coordination, support for operation of the Knights Landing Outfall Gates and Wallace Weir, Lower Colusa Basin Drain maintenance and minor improvements, facility operations, and data monitoring and reporting. Mr. Robinette also noted that coordination regarding the operation of the Dunnigan Pipeline remains ongoing.

Board members discussed uncertainty regarding potential water losses in the Lower Colusa Basin Drain and emphasized the importance of using additional monitoring data to better quantify those losses before final operational decisions are made. Staff noted that approximately two years of flow data are

being compiled and that additional time remains to evaluate the drain conveyance approach relative to the alternative pipeline to the river option.

Vice Chair Sutton rejoined the meeting at 2:50 p.m.

Board members also discussed responsibility and authority for maintenance activities within the drain. Staff explained that some activities may require permitting or delegation from other entities and that the Authority is continuing to coordinate with the Colusa Basin Drainage District and other affected interests. Staff confirmed that the proposed agreement does not commit the Authority to using the drain rather than pursuing the pipeline to the river option.

Discussion also addressed whether costs for maintenance or improvements benefiting existing drain users could be shared. Mr. Robinette clarified that the Authority would be the contracting party with RD 108 and would bear costs directly attributable to Sites activities, while opportunities for cost sharing on activities or future improvements providing broader benefits could continue to be explored.

Chair Durst rejoined the meeting at 3:05 p.m.

8. **Recap:**

8.1 Suggested Future Agenda Items.

None.

8.2 Special Meeting, **Thursday, September 10, 2026** (9:00 – 11:00a.m.)
Next Board Meeting, **Friday, September 18, 2026** (9:00am to TBD).

Maxwell Project Office & Virtual

Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at 3:10 p.m.

Fritz Durst, Authority Board Chair

Mike Urkov, Reservoir Committee Chair

Wendy Ambriz, Board Clerk

Current Voting Committee Participants (22):

	%	<i>Participant</i>		%	<i>Participant</i>
☒	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

19 Voting members represented at the start of the meeting

89.96% Represented participation percentage.

Representation has been delegated as follows:

(1) Proxy to Jamie Traynham, Davis WD

(‡) Not present after _____

Meeting Attendance**August 21, 2026****Agenda Item 1.1, Attachment B****9:00AM– 12:00PM**

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	☒	Jesse Sikora
	☒	Allison Jacobson		

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	☐	
Desert Water Agency	☐	Esther Saenz	☒	David Tate

Meeting Attendance

August 21, 2026

Agenda Item 1.1, Attachment B

9:00AM– 12:00PM

Dunnigan Water District	☒	Jordon Navarrot	☒	Lewis Bair
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 Geronio 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
☒	Dan O'Connell	☒	Kyle Hughes	☒	Rob Natoli	☒	Mario Manzo	☒	Conner McDonald	☒	Sarah Hodge		

Members of the Public

Name	Representing	Name	Representing
Masood Mesbah	Kleinfelder	David Haywood	GFT
Amanda Dwyer	Westervelt	Danielle Jolette	Westervelt
Christy Scofield	Public	Onallee Elsberry-Crabtree	HDR
Hailey Traynham	Brown & Caldwell	Glen Lawson	Arcadis

Members of the Public

<i>Name</i>	<i>Representing</i>	<i>Name</i>	<i>Representing</i>
Linc To	HDR	Ben Crawford	Crawford & Associates
Dina Hunt	GFT	Jamie Kolkey	Black & Veatch

Virtual Attendance

Virtual Attendance	94	
Sarah Hodge	Fritz Durst, RD108 (Unverified)	Tom Jacoubowsky (Unverified)
Wendy Ambriz	Sara M. Katz (External)	Nelson, Jeff [NN-US]
15304546811 (Unverified)	Brian Thomas	Barrett, Leslie (External)
Conference	Jacobson, Allison M (External)	Rivera, Itzia@DWR (External)
Tony Arendt (External)	Joe Feeney	Paul Bews (External)
Robert Huang (External)	Don Wright	Andrew Berselli (External)
Jim Yoder (External)	Douglas Montague (External)	Arsenijevic, Jelica (External)
Ryan Eitutis	Phil Martin (External)	Fritz Durst, RD108 (Unverified)
Peter Nelson	Katherine Maher (External)	C McD
Valentino Constantinou (Unverified)	Joseph Sullivan (External)	Hentz, Chris (External)
Pamela Katleba-Jenkins Westside Water	Paul Weghorst (External)	Cheyenne Butcher (External)
Jerry Brown	Lance Eckhart Pass Agency (External)	Phil Brun (External)
Heather Nielsen (Unverified)	Alcott, Derrick@Wildlife	Ali Elhassan (External)
Eric McDaris (External)	Young, Amy@DWR (External)	Robert Larkins
Steve Cole (External)	Marcus Maltby (External)	Hamilton, Malcolm B
Bill Sutter	Ohlin, Wayne	Sharleen Carlos (External)
Peterson, Stephen	Austin, Anthony@DWR (External)	18654066995 (Unverified)
Foss, Elizabeth (External)	Pryor, Valerie (External)	Ryan, Russell E
Lewis Bair (External)	Michael Plinski (External)	Elizabeth L. Cousins
Trent Taylor (External)	Lonnie Rejda (External)	Manish Patel (External)
Cook, Matt (External)	Darin Reintjes (External)	Robins, Rhonda (External)
Steven Abbott (External)	Steven Sanchez (External)	Robinson, Eric (External)
Gabalton, Michael (External)	Neudeck, Randall D	Charles Gardiner (External)
Eric.Patterson1	Steven Sanchez - MARRS Corp. (Unverified)	Lisa Kaplan (External)
Nathan Chevretils	Mickey Nixon (External)	Andrew Gschwind (External)
Alexander, Jeriann (External)	Alan Boyce (Unverified)	Fritz Durst, RD108 (Unverified)
Logan Dennis (Unverified)	Grace Lui	Kyle Hamilton
Luu, Henry (External)	Robert Cheng	Smalls, Samuel L
Ayoub Antabeel	Stanley, Robert@Wildlife	Whittington, Chad
Petya Vasileva	Sikora, Jessica L (External)	Michael Plinski
read.ai meeting notes (Unverified)		
Ryan Shaw		
Steve Peters (External)		
David Tate (External)		



Special Reservoir Committee/Authority Board Meeting

September 10, 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 Special Authority Board (AB) and Reservoir Committee (RC) Meeting to order at 9:01 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: 19 representatives (91.24%) were present, constituting a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

ACTION RC: It was moved by Ms. Traynham, seconded by Mr. Navarrot, to approve the September 10, 2026, meeting agenda. **Motion carried unanimously.**

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Murphy, to approve the September 10, 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 Item 1.1.

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. CLOSED SESSION: 9:14 AM

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

2. REPORT FROM CLOSED SESSION: 11:35 AM

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

3. Recap:

- 3.1 Suggested Future Agenda Items.

None.

3.2 Upcoming Meetings:

Reservoir Committee & Authority Board

Friday, September 18, 2026 (9:00 a.m. – 12:00 p.m.)

Maxwell Project Office & Virtual

Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at 11:36 a.m.

Fritz Durst, Authority Board Chair

Mike Urkov, Reservoir Committee Chair

Wendy Ambriz, Board Clerk

Current Voting Committee Participants (22):

	%	<i>Participant</i>		%	<i>Participant</i>
☒	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

19 Voting members represented at the start of the meeting

91.24% 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	☐	Lewis Bair
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 Geronio 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
☒ Dan O'Connell	☒ Kyle Hughes	☐ Rob Natoli	☒ Mario Manzo	☒ Conner McDonald	☒ Sarah Hodge	

Members of the Public

Name	Representing
Stephen Peterson	City of Roseville

Virtual Attendance

Virtual Attendance	58
Sarah Hodge	Joe Feeney
Wendy Ambriz	Esther Saenz (External)
Conference	Rob Kunde (External)
15304546811 (Unverified)	Paul Weghorst (External)
Jerry Brown	Smalls, Samuel L
Alexander, Jeriann (External)	Darren Morehead (Unverified)
Eric McDaris (External)	Russell, Larry (External)
Steve Cole (External)	Alexander, Lanaya
Trent Taylor (External)	Marcus Maltby (External)
Robert Cheng	Chandra Chilmakuri (External)
Alan Doud (External)	Adrian Inguanzo Teamsters 137 (Unverified)
Fritz Durst (Unverified)	Nestor Garcia (Unverified)
Michael Plinski (External)	Andrew Berselli (External)
Conner McDonald	Brian Kirwan (External)
Trevor Robertson, CPA (External)	Guest (Unverified)
Jacobson, Allison M (External)	Darin Reintjes (External)
Bill Vanderwaal (Unverified)	Lonnie Rejda (External)
Doug Montague	Quentin Williams
Alan Boyce (External)	Peterson, Stephen
Daniel O'Connell	Whittington, Chad
Sikora, Jessica L (External)	Grace Lui
Katherine Maher (External)	Fritz Durst RD108 (Unverified)
Jason Holley (External)	Jeff Mathews (External)
Wesley Walker (External)	David Haywood (External)
Pryor, Valerie (External)	Hentz, Chris (External)
Forrest, Mike (External)	Lance Eckhart Pass Agency (External)
Young, Amy@DWR (External)	David Guy (External)
Brian Thomas	Briard, Monique (External)
Carl D. Williams	
Claudia Bolanos (External)	



Meeting: **Reservoir Committee & Authority Board Agenda
Item 1.3**

September 18, 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 July 31, 2026, and a summary of financial transactions received through August 31, 2026.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Shayleen O'Connell

Primary Service Provider:

Starting Line Advisory - Accounting

Attachments:

Attachment A – Treasurer's Report



Treasurer's Report August 31, 2026

RCB General Operating Checking Account

Beginning Balance - August 1, 2026	\$	9,552,486.89
Receipts / (Disbursements):		
Interest Earned		28,763.82
Cash Transfer from Savings Account		-
Cash Transfer from Federal Account		-
Grazing Lease Receipts		-
Accounts Payable		(1,752,920.86)
Cash Transfer from Savings Account		1,066,056.52
Banking Service Fees		(208.28)
Ending Balance - August 31, 2026		8,894,178.09

RCB Savings Account

Beginning Balance - August 1, 2026		9,922,386.20
Receipts / (Disbursements):		
Interest Earned		32,005.06
Cash Transfer from General Operating Account		-
Cash Transfer to General Operating Account		(1,066,056.52)
Ending Balance - August 31, 2026		8,888,334.74

RCB Federal Fund Checking

Beginning Balance - August 1, 2026		9,719.72
Receipts / (Disbursements):		
Federal Funding Receipts		-
Interest Earned		32.02
Cash Transfer to General Operating Account		-
Ending Balance - August 31, 2026		9,751.74

RCB State (WSIP) Fund Checking

Beginning Balance - August 1, 2026		426.84
Receipts / (Disbursements):		
State Funding Receipts		-
Interest Earned		-
Ending Balance - August 31, 2026		426.84

Total Ending Cash Balance at August 31, 2026	\$	17,792,691.41
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Sites Project Joint Powers Authority
Cash Account Transactions
August 2026

Account	Type	Date	Num	Source Name	Memo	Amount	Balance
1001 - RC Operating Checking 2016							9,552,486.89
	Bill Pmt -Check	08/07/2026	ACH	Adept Solutions		-2,289.83	9,550,197.06
	Bill Pmt -Check	08/07/2026	ACH	Advanced Document Concepts	Jul 2026 Service	-29.83	9,550,167.23
	Bill Pmt -Check	08/07/2026	ACH	AECOM Technical Services, Inc.	June 2026 Service	-85,547.53	9,464,619.70
	Bill Pmt -Check	08/07/2026	ACH	Ag & Water Financial Consulting, LLC	Jul 2026 Service	-32,098.80	9,432,520.90
	Bill Pmt -Check	08/07/2026	ACH	Best Best & Krieger, LLP	Jul 2026 Service	-2,871.00	9,429,649.90
	Bill Pmt -Check	08/07/2026	ACH	Brian G Thomas Consulting, LLC	Jul 2026 Service	-11,000.00	9,418,649.90
	Bill Pmt -Check	08/07/2026	ACH	Brown and Caldwell	26.06.26 to 26.07.25	-90,459.73	9,328,190.17
	Bill Pmt -Check	08/07/2026	ACH	CMD West	May & Jun 2026 Service	-53,674.00	9,274,516.17
	Bill Pmt -Check	08/07/2026	ACH	County of Colusa	Aug 2026 Rent	-4,500.00	9,270,016.17
	Bill Pmt -Check	08/07/2026	ACH	Cox, Castle & Nicholson LLP	June 2026 Service	-15,954.30	9,254,061.87
	Bill Pmt -Check	08/07/2026	ACH	Dunn Consulting	Jul 2026 Service	-9,500.00	9,244,561.87
	Bill Pmt -Check	08/07/2026	ACH	Forsythe Group LLC	Jul 2026 Service	-36,687.50	9,207,874.37
	Bill Pmt -Check	08/07/2026	ACH	HDR Engineering Inc	June 2026 Service	-159,514.06	9,048,360.31
	Bill Pmt -Check	08/07/2026	ACH	Hodge Executive Services LLC	Jul 2026 Service	-15,148.23	9,033,212.08
	Bill Pmt -Check	08/07/2026	ACH	Hughes Consulting, LLC	Jul 2026 Service	-29,250.56	9,003,961.52
	Bill Pmt -Check	08/07/2026	ACH	ICF Jones & Stokes, Inc.	June 2026 Service	-263,836.22	8,740,125.30
	Bill Pmt -Check	08/07/2026	ACH	JEM Land Consulting	Jul 2026 Service	-4,290.00	8,735,835.30
	Bill Pmt -Check	08/07/2026	ACH	Lasswell Strategic Consulting	Jul 2026 Service	-2,500.00	8,733,335.30
	Bill Pmt -Check	08/07/2026	ACH	Maximum Pest Control	Jul 2026 Service	-65.00	8,733,270.30
	Bill Pmt -Check	08/07/2026	ACH	Natoli Consulting	Jul 2026 Service	-33,600.00	8,699,670.30
	Bill Pmt -Check	08/07/2026	ACH	Robinette Consulting LLC	Jul 2026 Service	-36,814.92	8,662,855.38
	Bill Pmt -Check	08/07/2026	ACH	Somach Simmons & Dunn	Jul 2026 Service	-49,067.25	8,613,788.13
	Bill Pmt -Check	08/07/2026	ACH	Spesert Consulting	Jul 2026 Service	-28,254.36	8,585,533.77
	Bill Pmt -Check	08/07/2026	ACH	Starting Line Advisory	Jul 2026 Service	-33,618.75	8,551,915.02
	Bill Pmt -Check	08/07/2026	EFT	US Bank	credit card 4798531219408632	-822.40	8,551,092.62
	Bill Pmt -Check	08/07/2026	ACH	Waterology LLC	Jul 2026 Service	-41,722.00	8,509,370.62
	Bill Pmt -Check	08/07/2026	ACH	Young Wooldridge LLP	Jul 2026 Service	-16,303.60	8,493,067.02
	General Journal	08/24/2026	AUG26-SPA01		Transfer Funds	719,306.03	9,212,373.05
	Bill Pmt -Check	08/27/2026	ACH	AECOM Technical Services, Inc.	Jul 2026 Service	-41,018.37	9,171,354.68
	Bill Pmt -Check	08/27/2026	ACH	Barnard Construction Co., Inc.	Jul 2026 Service	-82,954.55	9,088,400.13
	Bill Pmt -Check	08/27/2026	ACH	Bodewell Group Associates, Inc.	Jul 2026 Service	-6,554.08	9,081,846.05
	Bill Pmt -Check	08/27/2026	2675	California Dept. of Fish & Wildlife	Apr to Jun 2026 Service	-18,702.85	9,063,143.20
	Bill Pmt -Check	08/27/2026	ACH	CH2M Hill Engineers, Inc	Jul 2026 Service	-174,206.20	8,888,937.00
	Bill Pmt -Check	08/27/2026	ACH	CreativEnvironment Group	Jul 2026 Service	-29,038.52	8,859,898.48
	Bill Pmt -Check	08/27/2026	ACH	Fugro USA Land, Inc	Jul 2026 Service	-5,735.95	8,854,162.53
	Bill Pmt -Check	08/27/2026	ACH	HDR Engineering Inc	Jul 2026 Service	-103,467.58	8,750,694.95
	Bill Pmt -Check	08/27/2026	ACH	ICF Jones & Stokes, Inc.	Jul 2026 Service	-76,005.01	8,674,689.94
	Bill Pmt -Check	08/27/2026	ACH	MBK Engineers Inc	Jul 2026 Service	-14,284.50	8,660,405.44
	Bill Pmt -Check	08/27/2026	ACH	MM Water Resources, LLC	Jul 2026 Service	-33,148.96	8,627,256.48
	Bill Pmt -Check	08/27/2026	ACH	Montague DeRose and Associates, LLC	Jul 2026 Service	-2,275.00	8,624,981.48
	Bill Pmt -Check	08/27/2026	ACH	Net2Phone Inc.	Aug 2026 Service	-149.22	8,624,832.26
	Bill Pmt -Check	08/27/2026	ACH	Nossaman LLP		-89,715.20	8,535,117.06
	Bill Pmt -Check	08/27/2026	ACH	Perkins Coie LLP	Jul 2026 Service	-9,000.00	8,526,117.06
	Bill Pmt -Check	08/27/2026	ACH	The Catalyst Group, Inc.	Jul 2026 Service	-270.00	8,525,847.06
	Bill Pmt -Check	08/27/2026	ACH	Theresa A Lightle	Jul 2026 Service	-6,975.00	8,518,872.06
	General Journal	08/27/2026	AUG26-SPA02		Transfer Funds	346,750.49	8,865,622.55
	General Journal	08/31/2026	AUG26-SPA04		Interest earned	28,763.82	8,894,386.37
	General Journal	08/31/2026	AUG26-SPA04		Analysis Charges	-208.28	8,894,178.09
Total 1001 - RC Operating Checking 2016						-658,308.80	8,894,178.09
1002 - RC ICS Savings 9755							9,922,386.20
	General Journal	08/24/2026	AUG26-SPA01		Transfer Funds	-719,306.03	9,203,080.17
	General Journal	08/27/2026	AUG26-SPA02		Transfer Funds	-346,750.49	8,856,329.68
	General Journal	08/31/2026	AUG26-SPA05		Interest earned	32,005.06	8,888,334.74
Total 1002 - RC ICS Savings 9755						-1,034,051.46	8,888,334.74
1003 - RC Federal Fund Checking 4683							9,719.72
	General Journal	08/31/2026	AUG26-SPA09		Interest earned - Fed Checking	32.02	9,751.74
Total 1003 - RC Federal Fund Checking 4683						32.02	9,751.74
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						-1,692,328.24	17,792,691.41

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
BOR	0.00	0.00	300,635.00	1,122,137.22	0.00	1,422,772.22
California Water Commission	0.00	0.00	3,243,450.64	0.00	0.00	3,243,450.64
TOTAL	0.00	0.00	3,544,085.64	1,122,137.22	0.00	4,666,222.86

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Advanced Document Concepts	45.71					45.71
Ag & Water Financial Consulting, LLC	32,098.80					32,098.80
Brian G Thomas Consulting, LLC	11,000.00					11,000.00
Brown and Caldwell	106,766.11					106,766.11
Cox, Castle & Nicholson LLP	7,557.30					7,557.30
Forsythe Group LLC	37,082.24					37,082.24
HH Consultants LLC	1,875.00					1,875.00
Hodge Executive Services LLC	14,899.40					14,899.40
Hughes Consulting, LLC	30,076.41					30,076.41
JEM Land Consulting	5,461.38					5,461.38
Lasswell Strategic Consulting	2,500.00					2,500.00
Maximum Pest Control	65.00					65.00
MM Water Resources, LLC	33,091.20					33,091.20
Natoli Consulting	33,978.48					33,978.48
Pacific Land & Energy	26,613.74					26,613.74
Robinette Consulting LLC	38,156.00					38,156.00
Spesert Consulting	28,895.99					28,895.99
Starting Line Advisory	26,505.00					26,505.00
Stradling Yocca Carlson & Rauth	7,930.00					7,930.00
Tehama-Colusa Canal Authority	15,257.05					15,257.05
The Catalyst Group, Inc.	1,080.00					1,080.00
The Ferguson Group, LLC	22,000.00					22,000.00
Waterology LLC	41,722.00					41,722.00
Welsh Consulting LLC	6,340.40					6,340.40
Young Wooldridge LLP	14,925.80					14,925.80
TOTAL	545,923.01					545,923.01



Sites

July 2026
Draft Financial Reporting

***Management Purposes Only**

(Draft prepared September 8, 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

July 2026

	Authority		Reservoir		Total	
	July 26	Jan - July 26	July 26	Jan - July 26	July 26	Jan - July 26
Operating Revenue						
4000 · Authority Membership Dues	-	375,000	-	-	-	375,000
4200 · Federal Funding	-	-	300,635	3,871,575	300,635	3,871,575
4300 · State Funding	-	-	3,243,451	9,801,570	3,243,451	9,801,570
Total Operating Revenue	-	375,000	3,544,086	13,673,145	3,544,086	14,048,145
Operating Expense						
7101 · Governmental Affairs	-	-	31,500	220,500	31,500	220,500
7102 · Outside Services - Agencies	-	-	18,703	54,038	18,703	54,038
7103 · Regulatory Fees	-	-	-	282	-	282
7201 · Dues & Subscriptions	2,381	16,666	341	2,359	2,722	19,024
7202 · Insurance	2,674	4,027	-	-	2,674	4,027
7203 · Office Expense	1,066	21,461	-	6,469	1,066	27,930
7204 · Rent Expense	4,500	31,500	-	-	4,500	31,500
Professional Fees						
7301 · Legal	8,152	73,033	85,856	784,212	94,007	857,245
7302 · Contracts & Agreements	-	-	145,343	1,445,944	145,343	1,445,944
7303 · Financing Related Costs	-	-	2,275	28,475	2,275	28,475
7304 · Pre-Construction Services	-	-	(58,443)	674,246	(58,443)	674,246
7305 · Environmental Permits & Surveys	-	-	29,173	1,096,753	29,173	1,096,753
7306 · Environmental Compliance	-	-	39,478	259,750	39,478	259,750
7307 · Procurement Related Fees	-	-	21,077	277,465	21,077	277,465
7308 · Engineering	-	-	318,603	820,458	318,603	820,458
7310 · Community Outreach	-	-	37,142	471,018	37,142	471,018
7311 · Accounting & Audit	6,485	79,254	40,909	227,842	47,395	307,096
7312 · Other Outside Services	68	1,294	4,588	114,947	4,655	116,241
7313 · Project Management Support	7,541	64,437	459,387	3,575,854	466,927	3,640,291
Subtotal Professional Fees	22,245	218,017	1,125,386	9,776,965	1,147,631	9,994,983
7401 · Fee Title, Escrow & Incidental	-	-	23,943	56,784	23,943	56,784
7402 · ROW & Land Management	-	-	1,365	31,191	1,365	31,191
Total Operating Expense	32,866	291,671	1,201,238	10,148,587	1,234,105	10,440,259
Net Operating Revenue / (Expense)	\$ (32,866)	\$ 83,329	\$ 2,342,847	\$ 3,524,558	\$ 2,309,981	\$ 3,607,886
Non-Operating Revenue / (Expense)						
4700 · Interest Revenue	3,592	21,158	54,936	329,771	58,528	350,929
4800 · Lease Revenue	-	-	1,696	23,994	1,696	23,994
7700 · Banking Fees	(24)	(156)	(182)	(1,100)	(206)	(1,257)
Net Non-Operating Revenue / (Expense)	3,568	21,002	56,450	352,664	60,019	373,666
Net Revenue / (Expense)	\$ (29,298)	\$ 104,330	\$ 2,399,298	\$ 3,877,222	\$ 2,370,000	\$ 3,981,552

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Accrual Basis

Sites Project Joint Powers Authority

Balance Sheet by Fund

As of July 31, 2026

	Authority	Reservoir	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
1001 · RC Operating Checking 2016	916,546	8,635,940	9,552,487
1002 · RC ICS Savings 9755		9,922,386	9,922,386
1003 · RC Federal Fund Checking 4683		9,720	9,720
1004 · RC State Fund Checking 9538		427	427
Total Checking/Savings	916,546	18,568,473	19,485,020
Accounts Receivable			
1103 · State Funding Receivable		3,243,451	3,243,451
1104 · Federal Funding Receivable		1,422,772	1,422,772
Total Accounts Receivable		4,666,223	4,666,223
Other Current Assets			
1110 · Due From BOR Funding		1,422,772	1,422,772
1120 · Due From CWC Funding		3,243,451	3,243,451
1301 · Outside Agency Deposits		4,849,546	4,849,546
1303 · Prepaid Expense	13,028	6,479	19,507
Total Other Current Assets	13,028	9,522,248	9,535,276
Total Current Assets	929,574	32,756,944	33,686,518
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	929,574	38,008,509	38,938,083
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2001 · Accounts Payable	22,340	1,760,307	1,782,647
Total Accounts Payable	22,340	1,760,307	1,782,647
Credit Cards			
2005 · US Bank CC 3335	822		822
Total Credit Cards	822		822
Other Current Liabilities			
2110 · Due to Sites Project		4,666,223	4,666,223
2303 · Unearned Revenue Leases		16,963	16,963
2304 · Participant Reimb. Policy		9,039,559	9,039,559
Total Other Current Liabilities		13,722,745	13,722,745
Total Current Liabilities	23,163	15,483,052	15,506,214
Total Liabilities	23,163	15,483,052	15,506,214
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	104,330	3,877,222	3,981,552
Total Equity	906,411	22,525,458	23,431,869
TOTAL LIABILITIES & EQUITY	929,574	38,008,509	38,938,083

**Sites Project Joint Powers Authority
Transaction Detail By Account
July 2026**

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
4200 · Federal Funding									
General Journal	07/31/2026	JUL26-SPA07		FAA3 25% revenue accrual		Reservoir		300,635.00	300,635.00
Total 4200 · Federal Funding							0.00	300,635.00	300,635.00
4300 · State Funding									
Invoice	07/01/2026	02	California Water Commission	Early Funding Agreement #2 - Inv #2		Reservoir		2,263,293.64	2,263,293.64
Invoice	07/01/2026	02R	California Water Commission	Early Funding Agreement #2 - Inv #2 Retention		Reservoir		251,477.07	2,514,770.71
Invoice	07/01/2026	01R	California Water Commission	Early Funding Agreement #2 - Inv #1 Retention		Reservoir		728,679.93	3,243,450.64
Total 4300 · State Funding							0.00	3,243,450.64	3,243,450.64
7101 · Governmental Affairs									
7101401 · Lobbyist									
Bill	07/31/2026	#Jul 2026	Dunn Consulting	Jul 2026 Service		Reservoir	9,500.00		-9,500.00
Bill	07/31/2026	#INV6471	The Ferguson Group, LLC	Jul 2026 Service		Reservoir	22,000.00		-31,500.00
Total 7101401 · Lobbyist								0.00	-31,500.00
Total 7101 · Governmental Affairs							31,500.00	0.00	-31,500.00
7102 · Outside Services - Agencies									
7102504 · Agency Reimbursable Agreements									
Bill	07/01/2026	#INV5227	California Dept. of Fish & Wildlife	Apr to Jun 2026 Service		Reservoir	18,702.85		-18,702.85
Total 7102504 · Agency Reimbursable Agreements							18,702.85	0.00	-18,702.85
Total 7102 · Outside Services - Agencies							18,702.85	0.00	-18,702.85
7201 · Dues & Subscriptions									
7201202 · Dues & Subs (Other Costs/Fees)									
General Journal	07/31/2026	JUL26-SPA06		Prepaid - Annual Agency Dues for 2026		Authority	2,380.83		-2,380.83
General Journal	07/31/2026	JUL26-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)									
Bill	07/01/2026	#1184	ACWA JPIA	1/1/26 to 1/1/27		Authority	800.00		-800.00
Bill	07/01/2026	#1185	ACWA JPIA	1/1/26 to 1/1/27		Authority	800.00		-1,600.00
Bill	07/01/2026	#1186	ACWA JPIA	1/1/26 to 1/1/27		Authority	800.00		-2,400.00
General Journal	07/31/2026	JUL26-SPA06		Prepaid - ACWA JPIA Auto and Liability Insurance		Authority	177.59		-2,577.59
General Journal	07/31/2026	JUL26-SPA06		Prepaid - ACWA JPIA Annual Property Insurance		Authority	96.01		-2,673.60
Total 7202202 · Insurance (Other Costs/Fees)							2,673.60	0.00	-2,673.60
Total 7202 · Insurance							2,673.60	0.00	-2,673.60
7203 · Office Expense									
7203202 · Office Exp (Other Costs/Fees)									
Bill	07/01/2026	#1223104764	Net2Phone Inc.	Jul 2026 Service		Authority	149.22		-149.22
Bill	07/31/2026	#68788	Maximum Pest Control	Jul 2026 Service		Authority	65.00		-214.22
Bill	07/31/2026	#INV193419	Advanced Document Concepts	Jul 2026 Service		Authority	29.83		-244.05
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Adobe, Inc.		Authority	19.99		-264.04
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Subway		Authority	131.98		-396.02
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Dollar General		Authority	20.84		-416.86
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	USPS		Authority	172.00		-588.86
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Recology		Authority	43.43		-632.29
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Primo Brands		Authority	42.67		-674.96
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Paypal		Authority	207.50		-882.46
Credit Card Charç	07/31/2026	#08/03/2026	US Bank	Succeed		Authority	183.99		-1,066.45
Total 7203202 · Office Exp (Other Costs/Fees)							1,066.45	0.00	-1,066.45
Total 7203 · Office Expense							1,066.45	0.00	-1,066.45
7204 · Rent Expense									
7204202 · Office Rent (Other Costs/Fees)									
Bill	07/01/2026	#Jul 2026	County of Colusa	Jul 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	07/31/2026	#434145	Stradling Yocca Carlson & Rauth	Jul 2026 Service		Reservoir	7,930.00		-7,930.00
Total 7301103 · Legal - Bond Counsel							7,930.00	0.00	-7,930.00
7301104 · Legal									
Bill	07/31/2026	#INV3028035	Somach Simmons & Dunn	Jul 2026 Service		Reservoir	49,067.25		-49,067.25
Bill	07/31/2026	#20717	MBK Engineers Inc	Jul 2026 Service		Reservoir	10,174.50		-59,241.75

Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
Bill	07/31/2026	#7422282	Perkins Coie LLP	Jul 2026 Service	Reservoir	9,000.00		-68,241.75
						68,241.75	0.00	-68,241.75
Bill	07/31/2026	#INV137043-13705	Young Wooldridge LLP	Jul 2026 Service	Authority	8,140.20		-8,140.20
Bill	07/31/2026	#INV137043-13705	Young Wooldridge LLP	Jul 2026 Service	Reservoir	8,140.20		-16,280.40
Bill	07/31/2026	#INV137043-13705	Young Wooldridge LLP	Jul 2026 Service	Authority	11.60		-16,292.00
Bill	07/31/2026	#INV137043-13705	Young Wooldridge LLP	Jul 2026 Service	Reservoir	11.60		-16,303.60
						16,303.60	0.00	-16,303.60
Bill	07/31/2026	#597282	Nossaman LLP	Jul 2026 Service	Reservoir	344.00		-344.00
						344.00	0.00	-344.00
Bill	07/31/2026	#1069175	Best Best & Krieger, LLP	Jul 2026 Service	Reservoir	396.00		-396.00
						396.00	0.00	-396.00
Bill	07/31/2026	#1069175	Best Best & Krieger, LLP	Jul 2026 Service	Reservoir	792.00		-792.00
						792.00	0.00	-792.00
						94,007.35	0.00	-94,007.35
Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	4,265.64		-4,265.64
Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	10,544.49		-14,810.13
						14,810.13	0.00	-14,810.13
Bill	07/31/2026	#597283	Nossaman LLP	Jul 2026 Service	Reservoir	87,720.00		-87,720.00
						87,720.00	0.00	-87,720.00
Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	2,070.30		-2,070.30
Bill	07/31/2026	#597283	Nossaman LLP	Jul 2026 Service	Reservoir	1,651.20		-3,721.50
						3,721.50	0.00	-3,721.50
Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	1,933.36		-1,933.36
Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	3,956.09		-5,889.45
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		5,699.21	-190.24
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	5,699.21		-5,889.45
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	3,637.89		-9,527.34
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		7,927.24	-1,600.10
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	7,927.24		-9,527.34
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		7,927.58	-1,599.76
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	7,927.58		-9,527.34
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		8,048.61	-1,478.73
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	8,048.61		-9,527.34
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		1,606.91	-7,920.43
General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	1,606.91		-9,527.34
						40,736.89	31,209.55	-9,527.34
Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	129.99		-129.99
Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	576.72		-706.71
						706.71	0.00	-706.71
Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	23,557.85		-23,557.85
Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	4,214.13		-27,771.98
Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	1,085.38		-28,857.36
						28,857.36	0.00	-28,857.36
						176,552.59	31,209.55	-145,343.04
Bill	07/31/2026	#6027SITES	Montague DeRose and Associates, LLC	Jul 2026 Service	Reservoir	2,275.00		-2,275.00
						2,275.0		

**Sites Project Joint Powers Authority
Transaction Detail By Account
July 2026**

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
	General Journal	07/01/2026	JUL26-RJE02		To reclass Fugro June expense to correct GL	Reservoir		1,823.39	1,823.39
	Bill	07/31/2026	#04.00201528 - 57	Fugro USA Land, Inc	Jul 2026 Service	Reservoir	1,536.83		286.56
	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	218.50		68.06
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	259.98		-191.92
	Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	2,578.95		-2,770.87
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	3,150.37		-5,921.24
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		4,888.52	-1,032.72
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	2,025.09		-3,057.81
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		6,793.03	3,735.22
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	1,333.46		2,401.76
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		26,168.23	28,569.99
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		60.80	28,630.79
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	6,201.37		22,429.42
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		22,050.67	44,480.09
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		2,472.35	46,952.44
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		174.88	47,127.32
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	2,237.14		44,890.18
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		28,587.80	73,477.98
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		306.82	73,784.80
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		8.82	73,793.62
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	1,358.38		72,435.24
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		83,106.53	155,541.77
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		17.64	155,559.41
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	1,792.81		153,766.60
Total 7304301 - Consultant Project Management							22,692.88	176,459.48	153,766.60
7304306 - Consultant Project Mgmt 306									
	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	839.40		-839.40
	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	10,894.20		-11,733.60
Total 7304306 - Consultant Project Mgmt 306							11,733.60	0.00	-11,733.60
7304903 - Reservoir CMAR Preconstruction									
	Bill	07/31/2026	#Jul 2026-6	Barnard Construction Co., Inc.	Jul 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	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	218.50		-218.50
Total 7304905 - Construction Power Agreements							218.50	0.00	-218.50
7304907 - Cal ISO Fee									
	General Journal	07/31/2026	JUL26-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							118,016.20	176,459.48	58,443.28
7305 - Environmental Permits & Surveys									
7305506 - Surveys									
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	175.74		-175.74
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	2,774.07		-2,949.81
Total 7305506 - Surveys							2,949.81	0.00	-2,949.81
7305509 - Develop & Submit Required Plans									
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	115.59		-115.59
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	229.99		-345.58
Total 7305509 - Develop & Submit Required Plans							345.58	0.00	-345.58
7305607 - Environmental Survey Work Const									
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	2,861.61		-2,861.61
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	22,977.03		-25,838.64
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	38.56		-25,877.20
Total 7305607 - Environmental Survey Work Const							25,877.20	0.00	-25,877.20
Total 7305 - Environmental Permits & Surveys							29,172.59	0.00	-29,172.59
7306 - Environmental Compliance									
7306507 - Construction ITP Terms and Cond									
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	1,559.88		-1,559.88
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	19,484.63		-21,044.51
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		3,637.89	-17,406.62
Total 7306507 - Construction ITP Terms and Cond							21,044.51	3,637.89	-17,406.62
7306508 - Operations ITP Terms and Condit									
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	6,941.73		-6,941.73

**Sites Project Joint Powers Authority
Transaction Detail By Account
July 2026**

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
Total 7306508 · Operations ITP Terms and Condit	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	8,590.88		-15,532.61
							15,532.61	0.00	-15,532.61
7306605 · Environmental Compliance Plan D									
Total 7306605 · Environmental Compliance Plan D	Bill	07/31/2026	#Sites 07-2026	CreativEnvironment Group	Jul 2026 Service	Reservoir	6,538.52		-6,538.52
							6,538.52	0.00	-6,538.52
Total 7306 · Environmental Compliance									
7307 · Procurement Related Fees									
7307602 · Mitigation Procurement									
Total 7307602 · Mitigation Procurement	Bill	07/31/2026	#Jul 2026	JEM Land Consulting	Jul 2026 Service	Reservoir	2,925.00		-2,925.00
	Bill	07/31/2026	#638645	Cox, Castle & Nicholson LLP	Jul 2026 Service	Reservoir	7,557.30		-10,482.30
							10,482.30	0.00	-10,482.30
7307908 · Conveyance CMAR Procurement									
Total 7307908 · Conveyance CMAR Procurement	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	1,451.88		-1,451.88
	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	9,142.64		-10,594.52
Total 7307 · Procurement Related Fees									
							10,594.52	0.00	-10,594.52
							21,076.82	0.00	-21,076.82
7308 · Engineering									
7308106 · Engineering Home Board Support									
Total 7308106 · Engineering Home Board Support	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	55,787.03		-55,787.03
							55,787.03	0.00	-55,787.03
7308801 · Storage, Pizameter Monitoring									
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/01/2026	JUL26-RJE02		To reclass Fugro June expense to correct GL	Reservoir	1,823.39		-1,823.39
	Bill	07/31/2026	#04.00201528 - 57	Fugro USA Land, Inc	Jul 2026 Service	Reservoir	4,199.12		-6,022.51
Total 7308801 · Storage, Pizameter Monitoring	Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	28,627.97		-34,650.48
	Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	8.82		-34,659.30
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	2,863.43		-37,522.73
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	5,459.57		-42,982.30
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	19,966.86		-62,949.16
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	60.80		-63,009.96
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	22,285.88		-85,295.84
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	174.88		-85,470.72
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	27,536.24		-113,006.96
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	8.82		-113,015.78
Total 7308801 · Storage, Pizameter Monitoring	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	81,313.72		-194,329.50
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	17.64		-194,347.14
							194,347.14	0.00	-194,347.14
7308909 · Conveyance Engineering									
Total 7308909 · Conveyance Engineering	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	5,766.79		-5,766.79
	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	6,227.33		-11,994.12
Total 7308909 · Conveyance Engineering	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	56,475.02		-68,469.14
							68,469.14	0.00	-68,469.14
							318,603.31	0.00	-318,603.31
7310 · Community Outreach									
7310305 · Community Outreach									
Total 7310305 · Community Outreach	General Journal	07/01/2026	JUL26-RJE01		To reclass Bodwell May expense to correct GL	Reservoir		1,368.00	1,368.00
	General Journal	07/01/2026	JUL26-RJE01		To reclass Bodwell June expense to correct GL	Reservoir		86.00	1,454.00
Total 7310305 · Community Outreach	Bill	07/31/2026	#INV3984	Bodewell Group Associates, Inc.	Jul 2026 Service	Reservoir	6,296.08		-4,842.08
							6,296.08	1,454.00	-4,842.08
7310601 · Cultural Compliance									
Total 7310601 · Cultural Compliance	General Journal	07/01/2026	JUL26-RJE01		To reclass Bodwell May expense to correct GL	Reservoir	1,368.00		-1,368.00
	General Journal	07/01/2026	JUL26-RJE01		To reclass Bodwell June expense to correct GL	Reservoir	86.00		-1,454.00
Total 7310601 · Cultural Compliance	Bill	07/31/2026	#INV3984	Bodewell Group Associates, Inc.	Jul 2026 Service	Reservoir	258.00		-1,712.00
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	17,113.26		-18,825.26
Total 7310601 · Cultural Compliance	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	13,474.40		-32,299.66
							32,299.66	0.00	-32,299.66
							38,595.74	1,454.00	-37,141.74
7311 · Accounting & Audit									
7311202 · Accounting / Audit									
Total 7311202 · Accounting / Audit	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	14,586.04		-14,586.04
	Bill	07/31/2026	#SPA46234	Starting Line Advisory	Jul 2026 Service	Authority	6,485.44		-21,071.48
Total 7311202 · Accounting / Audit	Bill	07/31/2026	#SPA46234	Starting Line Advisory	Jul 2026 Service	Reservoir	19,348.31		-40,419.79
	Bill	07/31/2026	#TAL_Sites_004	Theresa A Lightle	Jul 2026 Service	Reservoir	6,975.00		-47,394.79

**Sites Project Joint Powers Authority
Transaction Detail By Account
July 2026**

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
Total 7311202 - Accounting / Audit							47,394.79	0.00	-47,394.79
Total 7311 - Accounting & Audit							47,394.79	0.00	-47,394.79
7312 - Other Outside Services									
7312202 - Other Outside Services (Misc)									
	Bill	07/31/2026	#Jul 2026	Lasswell Strategic Consulting	Jul 2026 Service	Reservoir	2,500.00		-2,500.00
	Bill	07/31/2026	#1018	The Catalyst Group, Inc.	Jul 2026 Service	Authority	67.50		-2,567.50
	Bill	07/31/2026	#1018	The Catalyst Group, Inc.	Jul 2026 Service	Reservoir	202.50		-2,770.00
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	1,885.01		-4,655.01
							4,655.01	0.00	-4,655.01
Total 7312202 - Other Outside Services (Misc)							4,655.01	0.00	-4,655.01
Total 7312 - Other Outside Services									
7313 - Project Management Support									
7313101 - Fixed Staff									
	Bill	07/31/2026	#1019	Ag & Water Financial Consulting, LLC	Jul 2026 Service	Reservoir	32,098.80		-32,098.80
	Bill	07/31/2026	#SPA-202607	Forsythe Group LLC	Jul 2026 Service	Reservoir	36,687.50		-68,786.30
	Bill	07/31/2026	#2026-8	Hughes Consulting, LLC	Jul 2026 Service	Reservoir	29,250.56		-98,036.86
	Bill	07/31/2026	#1007	Natoli Consulting	Jul 2026 Service	Reservoir	33,600.00		-131,636.86
	Bill	07/31/2026	#1063	Robinette Consulting LLC	Jul 2026 Service	Reservoir	36,814.92		-168,451.78
	Bill	07/31/2026	#76	Waterology LLC	Jul 2026 Service	Authority	4,172.20		-172,623.98
	Bill	07/31/2026	#76	Waterology LLC	Jul 2026 Service	Reservoir	37,549.80		-210,173.78
	Bill	07/31/2026	#7-26	Spesert Consulting	Jul 2026 Service	Reservoir	28,254.36		-238,428.14
	Bill	07/31/2026	#325	Brian G Thomas Consulting, LLC	Jul 2026 Service	Reservoir	11,000.00		-249,428.14
	Bill	07/31/2026	#1018	MM Water Resources, LLC	Jul 2026 Service	Reservoir	33,148.96		-282,577.10
							282,577.10	0.00	-282,577.10
Total 7313101 - Fixed Staff									
7313102 - Extension of Staff & Incidental									
	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	67,797.62		-67,797.62
	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Authority	1,853.56		-69,651.18
	Bill	07/31/2026	#2	Hodge Executive Services LLC	Jul 2026 Service	Reservoir	13,633.41		-83,284.59
	Bill	07/31/2026	#2	Hodge Executive Services LLC	Jul 2026 Service	Authority	1,514.82		-84,799.41
	Bill	07/31/2026	#SPA46234	Starting Line Advisory	Jul 2026 Service	Reservoir	7,785.00		-92,584.41
	Bill	07/31/2026	#Sites 07-2026	CreativEnvironment Group	Jul 2026 Service	Reservoir	22,500.00		-115,084.41
	Bill	07/31/2026	#20716	MBK Engineers Inc	Jul 2026 Service	Reservoir	4,110.00		-119,194.41
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	48,232.25		-167,426.66
							167,426.66	0.00	-167,426.66
Total 7313102 - Extension of Staff & Incidental									
7313901 - Consultant Project Management									
	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	1,847.49		-1,847.49
	Bill	07/31/2026	#17608565	Brown and Caldwell	26.06.26 to 26.07.25	Reservoir	150.38		-1,997.87
	Bill	07/31/2026	#1069175	Best Best & Krieger, LLP	Jul 2026 Service	Reservoir	1,683.00		-3,680.87
	Bill	07/31/2026	#D3380605-07	CH2M Hill Engineers, Inc	Jul 2026 Service	Reservoir	1,652.70		-5,333.57
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	2,120.29		-7,453.86
	Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	5,796.16		-13,250.02
	Bill	07/31/2026	#2026-107629	ICF Jones & Stokes, Inc.	Jul 2026 Service	Reservoir	3,622.98		-16,873.00
	Bill	07/31/2026	#2001174121	AECOM Technical Services, Inc.	Jul 2026 Service	Reservoir	50.38		-16,923.38
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir		326.58	-16,596.80
	General Journal	07/31/2026	JUL26-RJE03		To reclass AECOM Jan-June 2026 to correct tasks	Reservoir	326.58		-16,923.38
							17,249.96	326.58	-16,923.38
Total 7313901 - Consultant Project Management									
Total 7313 - Project Management Support							467,253.72	326.58	-466,927.14
Total 7300 - Professional Fees							1,360,718.76	213,087.50	-1,147,631.26
7401 - Fee Title, Escrow & Incidental									
7401701 - Priority Acquisitions									
	Bill	07/23/2026	PRF26.07.23-2	Mary C. Wells	Jul 2026	Reservoir	11,200.00		-11,200.00
	Bill	07/23/2026	PRF26.07.23-1	Lone Peak Farms	Jul 2026	Reservoir	7,500.00		-18,700.00
	Bill	07/31/2026	#1200854910	HDR Engineering Inc	Jul 2026 Service	Reservoir	5,243.33		-23,943.33
							23,943.33	0.00	-23,943.33
Total 7401701 - Priority Acquisitions									
Total 7401 - Fee Title, Escrow & Incidental							23,943.33	0.00	-23,943.33
7402 - ROW & Land Management									
7402702 - Land Management									
	Bill	07/31/2026	#Jul 2026	JEM Land Consulting	Jul 2026 Service	Reservoir	1,365.00		-1,365.00
							1,365.00	0.00	-1,365.00
Total 7402702 - Land Management							1,365.00	0.00	-1,365.00
Total 7402 - ROW & Land Management									
4700 - Interest Revenue									
	General Journal	07/31/2026	JUL26-SPA09		Interest earned - Fed Checking	Reservoir		4,834.39	4,834.39
	General Journal	07/31/2026	JUL26-SPA04		Interest earned	Authority		3,592.23	8,426.62

Sites Project Joint Powers Authority
Transaction Detail By Account
July 2026

Total 4700 · Interest Revenue
4800 · Lease Revenue

Total 4800 · Lease Revenue
7700 · Banking Fees

Total 7700 · Banking Fees

Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
General Journal	07/31/2026	JUL26-SPA04		Interest earned	Reservoir		27,358.40	35,785.02
General Journal	07/31/2026	JUL26-SPA05		Interest earned	Reservoir		22,742.87	58,527.89
						0.00	58,527.89	58,527.89
General Journal	07/31/2026	JUL26-SPA08		Recognize lease revenue Black Rock Cattle LLC 6/1/2026-5/31/2027	Reservoir		1,696.30	1,696.30
						0.00	1,696.30	1,696.30
General Journal	07/31/2026	JUL26-SPA04		Analysis Charges	Authority	23.87		-23.87
General Journal	07/31/2026	JUL26-SPA04		Analysis Charges	Reservoir	181.76		-205.63
						205.63	0.00	-205.63
						1,447,397.64	3,817,397.33	2,369,999.69



Meeting: **Reservoir Committee & Authority Board Agenda
Item 1.4**

September 18, 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 September 4, 2026.

Attachment B summarizes the approved invoices received through September 4, 2026, and how the incurred costs are allocated between the Authority and Reservoir Committee.

The Budget and Finance Committee at the September 11, 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 \$1,252,314.07 with \$27,977.70 of costs being assigned to the Authority and \$1,224,336.37 assigned to the Reservoir Committee, as shown in Attachment B.

For the Reservoir Committee assigned amount, \$1,224,336.37 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

**Warrants Drawn Against
Sites Project Authority
September 18, 2026**

Warrant Number	Date	Name	Amount
ACH	8/27/2026	AECOM Technical Services, Inc.	\$ 41,018.37
ACH	8/27/2026	Barnard Construction Co., Inc.	82,954.55
ACH	8/27/2026	Bodewell Group Associates, Inc.	6,554.08
2675	8/27/2026	California Dept. of Fish & Wildlife	18,702.85
ACH	8/27/2026	CH2M Hill Engineers, Inc	174,206.20
ACH	8/27/2026	CreativEnvironment Group	29,038.52
ACH	8/27/2026	Fugro USA Land, Inc	5,735.95
ACH	8/27/2026	HDR Engineering Inc	103,467.58
ACH	8/27/2026	ICF Jones & Stokes, Inc.	76,005.01
ACH	8/27/2026	MBK Engineers Inc	14,284.50
ACH	8/27/2026	MM Water Resources, LLC	33,148.96
ACH	8/27/2026	Montague DeRose and Associates, LLC	2,275.00
ACH	8/27/2026	Net2Phone Inc.	149.22
ACH	8/27/2026	Nossaman LLP	89,715.20
ACH	8/27/2026	Perkins Coie LLP	9,000.00
ACH	8/27/2026	The Catalyst Group, Inc.	270.00
ACH	8/27/2026	Theresa A Lightle	6,975.00
ACH	9/9/2026	Adept Solutions	2,341.27
ACH	9/9/2026	Advanced Document Concepts	45.71
ACH	9/9/2026	Ag & Water Financial Consulting, LLC	32,098.80
ACH	9/9/2026	Brian G Thomas Consulting, LLC	11,000.00
ACH	9/9/2026	Brown and Caldwell	106,766.11
ACH	9/9/2026	County of Colusa	4,500.00
ACH	9/9/2026	Cox, Castle & Nicholson LLP	7,557.30
ACH	9/9/2026	Forsythe Group LLC	37,082.24
ACH	9/9/2026	HH Consultants LLC	1,875.00
ACH	9/9/2026	Hodge Executive Services LLC	14,899.40
ACH	9/9/2026	Hughes Consulting, LLC	30,076.41
ACH	9/9/2026	JEM Land Consulting	5,461.38
ACH	9/9/2026	Lasswell Strategic Consulting	2,500.00
ACH	9/9/2026	Maximum Pest Control	65.00
ACH	9/9/2026	MM Water Resources, LLC	33,091.20
ACH	9/9/2026	Natoli Consulting	33,978.48
2676	9/9/2026	Pacific Gas and Electric Company	5,000.00
ACH	9/9/2026	Pacific Land & Energy	26,613.74
ACH	9/9/2026	Robinette Consulting LLC	38,156.00
ACH	9/9/2026	Spesert Consulting	28,895.99
ACH	9/9/2026	Starting Line Advisory	26,505.00
ACH	9/9/2026	Stradling Yocca Carlson & Rauth	7,930.00
2677	9/9/2026	Tehama-Colusa Canal Authority	15,257.05
ACH	9/9/2026	The Catalyst Group, Inc.	1,080.00
ACH	9/9/2026	The Ferguson Group, LLC	22,000.00
EFT	9/9/2026	US Bank	1,048.80
ACH	9/9/2026	Waterology LLC	41,722.00
ACH	9/9/2026	Welsh Consulting LLC	6,340.40
ACH	9/9/2026	Young Wooldridge LLP	14,925.80
TOTAL AMOUNT			\$ 1,252,314.07

**This report covers disbursements from August 21, 2026 through September 18, 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	



Payment of Claims - September 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	AECOM Technical Services, Inc.	2001174121	Jul 2026 Service	Engineering Services	KH	\$ 41,018.37	\$ -	\$ 41,018.37	\$ 59.20
2	Barnard Construction Co., Inc.	Jul 2026-6	Jul 2026 Service	Pre-Construction Services	JR	\$ 82,954.55	\$ -	\$ 82,954.55	\$ -
3	Bodewell Group Associates, Inc.	INV3984	Jul 2026 Service	Communications	KS	\$ 6,554.08	\$ -	\$ 6,554.08	\$ -
4	California Dept. of Fish & Wildlife	INV5227	Apr to Jun 2026 Service	Permitting and Agreements	AF	\$ 18,702.85	\$ -	\$ 18,702.85	\$ -
5	CH2M Hill Engineers, Inc	D3380605-07	Jul 2026 Service	Engineering and Modeling Services	RN	\$ 174,206.20	\$ -	\$ 174,206.20	\$ -
6	CreativEnvironment Group	Sites 07-2026	Jul 2026 Service	Permitting and Agreements	AF	\$ 29,038.52	\$ -	\$ 29,038.52	\$ -
7	Fugro USA Land, Inc	04.00201528 - 57	Jul 2026 Service	Geotechnical Engineering	JR	\$ 5,735.95	\$ -	\$ 5,735.95	\$ -
8	HDR Engineering Inc	1200854910	Jul 2026 Service	Project Integration	SO	\$ 103,467.58	\$ -	\$ 103,467.58	\$ -
9	ICF Jones & Stokes, Inc.	2026-107629	Jul 2026 Service	Permitting and Agreements	AF	\$ 76,005.01	\$ -	\$ 76,005.01	\$ 38.56
10	MBK Engineers Inc	20716	Jul 2026 Service	Reservoir Operations Modeling	AF	\$ 4,110.00	\$ -	\$ 4,110.00	\$ -
11	MBK Engineers Inc	20717	Jul 2026 Service	Water Rights Modeling	AF	\$ 10,174.50	\$ -	\$ 10,174.50	\$ -
12	MM Water Resources, LLC	1018	Jul 2026 Service	Deputy EPP Manager	JB	\$ 33,148.96	\$ -	\$ 33,148.96	\$ -
13	Montague DeRose and Associates, LLC	6027SITES	Jul 2026 Service	Municipal Advisor	JR	\$ 2,275.00	\$ -	\$ 2,275.00	\$ -
14	Net2Phone Inc.	1223207315	Aug 2026 Service	Phone Equipment	KS	\$ 149.22	\$ 149.22	\$ -	\$ -
15	Nossaman LLP	597282	Jul 2026 Service	Legal Services (Real Estate)	KS	\$ 344.00	\$ -	\$ 344.00	\$ -
16	Nossaman LLP	597283	Jul 2026 Service	Legal Services (Inter-Agency)	JR	\$ 89,371.20	\$ -	\$ 89,371.20	\$ -
17	Perkins Coie LLP	7422282	Jul 2026 Service	Special Legal	AF	\$ 9,000.00	\$ -	\$ 9,000.00	\$ -

Payment of Claims - September 2026 Cycle A

Topic: Program Operations - Finance

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

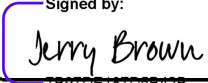
Purpose: To summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their monthly meeting:

	Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
18	The Catalyst Group, Inc.	1018	Jul 2026 Service	Strategic Planning	JB	\$ 270.00	\$ 67.50	\$ 202.50	\$ -
19	Theresa A Lightle	TAL_Sites_004	Jul 2026 Service	ERP Implementation Consulting	SO	\$ 6,975.00	\$ -	\$ 6,975.00	\$ -
Total Payment of Claims - September 2026 Cycle A						\$ 693,500.99	\$ 216.72	\$ 693,284.27	\$ 97.76

Invoice Footnotes:

Total Payments by Funding Account	Invoice Total	Authority Board	Reservoir Committee	Ineligible
JPA / RC Cash Account	\$ 693,500.99	\$ 216.72	\$ 693,284.27	\$ 97.76
WSIP Cash Account	\$ -	\$ -	\$ -	\$ -
FAA / WIIN Cash Account	\$ -	\$ -	\$ -	\$ -

Signed by:



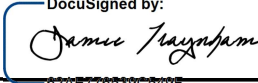
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Jerry Brown, Executive Director

Date

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8/26/2026

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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.



Payment of Claims - September 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	154729	Sep 2026 Service	Software Licensing	KS	\$ 708.27	\$ 354.14	\$ 354.13	\$ -
2	Adept Solutions	MSP-154730	Sep 2026 Service	Managed IT Services	KS	\$ 1,633.00	\$ 816.50	\$ 816.50	\$ -
3	Advanced Document Concepts	INV195822	Aug 2026 Service	Printer	KS	\$ 45.71	\$ 45.71	\$ -	\$ -
4	Ag & Water Financial Consulting, LLC	1020	Aug 2026 Service	Finance Manager	JB	\$ 32,098.80	\$ -	\$ 32,098.80	\$ -
5	Brian G Thomas Consulting, LLC	327	Aug 2026 Service	Owner's Advisor, Financing	JB	\$ 11,000.00	\$ -	\$ 11,000.00	\$ -
6	Brown and Caldwell	17615154	26.07.24 to 26.08.27	Project Controls	SO	\$ 106,766.11	\$ 2,687.04	\$ 104,079.07	\$ -
7	County of Colusa	Sep 2026	Sep 2026 Rent	Office Rent	SO	\$ 4,500.00	\$ 4,500.00	\$ -	\$ -
8	Cox, Castle & Nicholson LLP	638645	Jul 2026 Service	Legal Services (Env. Mitigation)	AF	\$ 7,557.30	\$ -	\$ 7,557.30	\$ -
9	Forsythe Group LLC	SPA-202608	Aug 2026 Service	EPP Manager	JB	\$ 37,082.24	\$ -	\$ 37,082.24	\$ -
10	HH Consultants LLC	111-2026	Aug 2026 Service	CMAR Procurement Support	JR	\$ 1,875.00	\$ -	\$ 1,875.00	\$ -
11	Hodge Executive Services LLC	3	Aug 2026 Service	Executive Services Coordinator	JB	\$ 14,899.40	\$ 1,489.94	\$ 13,409.46	\$ -
12	Hughes Consulting, LLC	2026-9	Aug 2026 Service	Construction Office Lead	JB	\$ 30,076.41	\$ -	\$ 30,076.41	\$ -
13	JEM Land Consulting	Aug 2026	Aug 2026 Service	Real Estate Services	KS	\$ 5,461.38	\$ -	\$ 5,461.38	\$ -
14	Lasswell Strategic Consulting	Aug 2026	Aug 2026 Service	Strategic Planning	SO	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -
15	Maximum Pest Control	69086	Aug 2026 Service	Pest Spraying	KS	\$ 65.00	\$ 65.00	\$ -	\$ -
16	MM Water Resources, LLC	1024	Aug 2026 Service	Deputy EPP Manager	JB	\$ 33,091.20	\$ -	\$ 33,091.20	\$ -
17	Natoli Consulting	1008	Jul 2026 Service	Deputy E&C Manager	JB	\$ 33,978.48	\$ -	\$ 33,978.48	\$ -
18	Pacific Gas and Electric Company	0008529292-8	Advance payment	Engineering Advance	JR	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00
19	Pacific Land & Energy	1	Aug 2026 Service	Deputy External Affairs Manager	JB	\$ 26,613.74	\$ -	\$ 26,613.74	\$ -
20	Robinette Consulting LLC	1064	Aug 2026 Service	E&C Manager	JB	\$ 38,156.00	\$ -	\$ 38,156.00	\$ 27.26
21	Spesert Consulting	8-26	Aug 2026 Service	External Affairs Manager	JB	\$ 28,895.99	\$ -	\$ 28,895.99	\$ 27.26



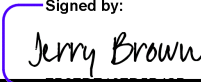
Payment of Claims - September 2026 Cycle B

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:

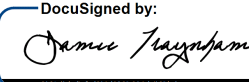
Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
22 Starting Line Advisory	SPA46265	Aug 2026 Service	Accounting, ERP, Purchasing Lead	SO	\$ 26,505.00	\$ 4,848.75	\$ 21,656.25	\$ -
23 Stradling Yocca Carlson & Rauth	434145	Jul 2026 Service	Legal - Bond Counsel (Financing)	JR	\$ 7,930.00	\$ -	\$ 7,930.00	\$ -
24 Tehama-Colusa Canal Authority	Aug 2026	Apr to Aug 2026	JPA Cooperative Agreement Reimbursement	JR	\$ 15,257.05	\$ -	\$ 15,257.05	\$ -
25 The Catalyst Group, Inc.	1023	Aug 2026 Service	Strategic Planning	JB	\$ 1,080.00	\$ 270.00	\$ 810.00	\$ -
26 The Ferguson Group, LLC	INV6471	Jul 2026 Service	Federal Government Affairs Support	KS	\$ 22,000.00	\$ -	\$ 22,000.00	\$ 22,000.00
27 US Bank	8632-09/01/2026	26.08.04 to 26.09.01	Credit Card Purchases	JB	\$ 1,048.80	\$ 1,048.80	\$ -	\$ -
28 Waterology LLC	77	Aug 2026 Service	Executive Director Services	JT	\$ 41,722.00	\$ 4,172.20	\$ 37,549.80	\$ -
29 Welsh Consulting LLC	1027	Aug 2026 Service	CMAR Procurement Support	JR	\$ 6,340.40	\$ -	\$ 6,340.40	\$ -
30 Young Wooldridge LLP	INV139728-139740	Aug 2026 Service	Legal Counsel	SO	\$ 14,925.80	\$ 7,462.90	\$ 7,462.90	\$ 12.86
Total Payment of Claims - September 2026 Cycle B					\$ 558,813.08	\$ 27,760.98	\$ 531,052.10	\$ 27,067.38

Invoice Footnotes:

Total Payments by Funding Account	Invoice Total	Authority Board	Reservoir Committee	Ineligible
JPA / RC Cash Account	\$ 558,813.08	\$ 27,760.98	\$ 531,052.10	\$ 27,067.38
WSIP Cash Account	\$ -	\$ -	\$ -	\$ -
FAA / WIIN Cash Account	\$ -	\$ -	\$ -	\$ -

Signed by:

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Jerry Brown, Executive Director

9/8/2026
Date

DocuSigned by:

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Jamie Traynham, Authority Board Treasurer

9/8/2026
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:

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



Meeting: **Reservoir Committee & Authority Board Agenda
Item 1.5**

September 18, 2026

Subject: **Amended Conflict of Interest Code for California Fair Political Practices
Commission**

Requested Action:

Reservoir Committee and Authority Board consider approval of Resolution 2026-01 approving draft of Sites Project Authority's amended Conflict of Interest Code (Code) and direct Authority staff and consultants to take such actions as are necessary and appropriate to process and submit amended Code to the California Fair Political Practices Commission.

Detailed Description/Background:

Authority Staff proposes an update to the Conflict of Interest Code (Code) to reflect recent changes in the organization's management structure and the addition of new positions that are proposed to be "Designated Positions" under the Code.

The amended Code makes minor technical edits including renaming the positions of Program Operations Manager to Finance Manager.

In addition, the amended Code would add four additional "Designated Positions" that will be required to submit Statements of Financial Interests (Form 700). These include the positions of Deputy Environmental Planning and Permitting Manager, Deputy External Affairs Manager, Construction Office Lead and Engineering Office Lead.

With approval of the draft of the Code, Authority staff will distribute a Notice of Intent and the proposed amended Code via email on September 21, 2026 to all Authority Board members and alternates as well as Reservoir Committee participants and alternates, and others holding Designated Positions.

The Authority will establish a comment period commencing on September 21, 2026, and closing on November 4, 2026 to solicit feedback from affected parties regarding the proposed amended Code.

At the closing of the comment period, Authority staff will address any comments received from the members, participants or holders of designated positions. Once completed, Sites General Counsel will submit the approved draft of the amended Code to the California Fair Political Practices Commission for review.

Additionally, a briefing on potential areas of Government Code Section 1090 potential conflicts that all members should keep in mind as they evaluate potential conflict situations will be scheduled for later this year. There will be an opportunity for

specific questions or Legal Counsel is available to address any questions outside of the meeting.

No other revisions to the Authority's Conflict of Interest Code are proposed at this time. The Code is reviewed periodically and updated as necessary.

Prior Action:

September 2022 – Consider approval of the Sites Project Authority amended Conflict of Interest Code and to direct Authority staff and consultants to take such actions as are necessary and appropriate to process and finalize the Code.

Fiscal Impact/Funding Source:

None

Staff Contact:

Jerry Brown

Attachments:

Attachment A – Authority Board Conflict of Interest Code Resolution

Attachment B – Draft of Amended Conflict of Interest Code



**BEFORE THE BOARD OF DIRECTORS AND RESERVOIR COMMITTEE OF THE
SITES PROJECT AUTHORITY**

Resolution No. 2026-01

IN THE MATTER OF:

**RESOLUTION APPROVING DRAFT OF SITES PROJECT AUTHORITY'S AMENDED CONFLICT
OF INTEREST CODE**

WHEREAS, this Board has reviewed its Conflict of Interest Code and determined that the Code is in need of amendment; and

WHEREAS, Senate Bill 852 changed the filing officer for public officials who manage public investments to the Fair Political Practices Commission ("FPPC") thereby changing the filing location for their Statements of Economic Interests (Form 700) which are required to be filed electronically with the FPPC; and

WHEREAS, the Authority has prepared an amended Conflict of Interest Code, which is attached hereto as Exhibit "A" and incorporated herein to reflect such changes; and

WHEREAS, state law requires that the Authority provide a 45-day comment period before adopting said Code.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Sites Project Authority as follows:

1. The Board has reviewed the draft of the amended Conflict of Interest Code and approves of the same.
2. The comment period shall be 45 days and shall begin on September 21, 2026 and end on November 4, 2026.
3. Authority staff and consultants are directed to take such actions as are necessary and appropriate to process the amended Conflict of Interest Code, including, without limitation, to transmit to those affected by the amended Conflict of Interest Code a notice of the Authority's intent to amend the Code, and to submit the attached draft of the amended Code to the California Fair Political Practices Commission for review.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Sites Project Authority this _____ Day of _____, 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

In Witness Whereof, I have executed this certificate this 18th day of September, 2026.

Chair Authority Board
Sites Project Authority

CONFLICT OF INTEREST CODE FOR THE SITES PROJECT AUTHORITY

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Sites Project Authority (Authority)**.

Individuals holding designated positions with the **Authority** must file their statements of economic interests electronically with the **Fair Political Practices Commission**. All statements must be made available for public inspection and reproduction under Government Code Section 81008.

**CONFLICT OF INTEREST CODE FOR
THE SITES PROJECT AUTHORITY
APPENDIX A – DESIGNATED POSITIONS**

<u>Designated Position</u>	<u>Disclosure Category</u>
General Counsel	1
Real Estate Counsel	1
CEQA Permitting Counsel	1
Water Rights Counsel	1
Agency Agreement Counsel	1
Bond & Disclosure Counsel	1
Environmental Planning and Permitting Manager	1
External Affairs Manager	1
Deputy External Affairs Manager	1
Construction Office Lead	1
Engineering Office Lead	1
Deputy Environmental Planning & Permitting Manager	1
Engineering and Construction Manager	1
Consultants/New Positions	*

*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Executive Director may determine in writing that a particular consultant/new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Gov. Code Section 81008). Conflict of Interest Code for the

**Conflict of Interest Code for
the Sites Project Authority
Appendix A – Designated Positions**

****PUBLIC OFFICIALS WHO MANAGE PUBLIC INVESTMENTS**

The following positions are not covered by the conflict of interest code because they must file statements under Section 87200 and therefore are listed for informational purposes only:

- Members of the Board of Directors and their Alternates
- Reservoir Committee Members and their Alternates
- Executive Director
- Finance Manager

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or for written advice regarding their filing obligation if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

**CONFLICT OF INTEREST CODE FOR THE
SITES PROJECT AUTHORITY
APPENDIX B - DISCLOSURE CATEGORIES**

Category 1: Designated positions in this category shall disclose all interests in real property within the jurisdiction or within two (2) miles of the boundaries of the jurisdiction or within two (2) miles of any land owned or used by the Agency; and investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from all sources.

Category 2: Designated positions in this category shall disclose investments, business positions in business entities, and income including receipt of gifts, loans, and travel payments, from sources engaged in providing services, supplies, materials, machinery, or equipment of the type utilized by the agency including but not limited to accounting, auditing, engineering and environmental consulting.



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 1.6

September 18, 2026

Subject: **Task Order Amendment for Somach Simmons & Dunn for additional Water Right support legal services**

Requested Action:

Reservoir Committee and Authority Board consider approval of a task order amendment with Somach Simmons & Dunn (Somach) for additional water right legal services support in the amount of \$300,000, increasing the 2026 not to exceed amount from \$550,000 to a revised 2026 not to exceed of \$850,000.

Detailed Description/Background:

Somach provides legal services related to the water right process along with several subconsultants working under their direction. The proposed task order amendment would provide contract authority and budget to address additional level of effort for Somach and their subconsultants in securing the Project water right(s).

The proposed changes to scope and budgets have been reviewed and recommended for approval by the Budget and Finance Committee.

Prior Action:

June 2026: Task Order Amendment to increase Somach contract authority and budget by \$150,000.

Fiscal Impact/Funding Source:

The requested action will result in no change to the overall approved FY2026 budget that was adopted at the October 2025 Board meeting. Funding for the increase in effort to the task identified above will be provided from various budget sources primarily related to Construction and Operations ITP compliance activities. Approximately half of the identified funding will come from savings and approximately half will come from deferring unallocated funds for species relocation plans that do not need to be completed in the near term into 2027.

Staff Contact:

Ali Forsythe

Primary Service Provider:

Brown and Caldwell

Attachments:

None



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

September 18, 2026

Subject: **Approve Excess Capacity Agreement with Reclamation**

Requested Action:

Reservoir Committee and Authority Board consider authorizing the Executive Director to sign the Excess Capacity Agreement with Reclamation upon confirmation of conformance with the final approved water right.

Detailed Description/Background:

In June 2026, Staff identified the key terms being sought in the Excess Capacity Agreement with Reclamation which covers the conveyance of non-federal water (i.e. Sites Water) in federal facilities. The agreement has been negotiated and is substantially complete. Board authorization is being sought to sign the agreement after the final water right is issued and the agreement is conformed to the final permit terms.

Attachment A describes how the key terms of agreement previously reviewed with the Board have been addressed in the final agreement. Negotiations have been conducted in public session and agreement drafts have been continuously posted on Reclamation's website. Attachment B is the final draft of the agreement.

While the proposed Agreement comprehensively covers all aspects of Sites use, there are remaining minor items that require further deliberation to finalize with Reclamation as follows, most likely to be completed upon receiving the final water right:

1. Expand for use of SOD federal facilities for conveyance of Sites water- as currently written the Agreement only covers NOD Federal Facility Use.
2. Term of the agreement - the Authority would prefer the term of agreement to align with the Ecosystem CAPB of 70 years.
3. Exhibit E (Protection of Water Quality) – the monitoring of concern for this agreement is specific to introducing surface storage and releases to the Sacramento River are being addressed through the DWR-Recl-SPA Operations Agreement.
4. Maximum Annual Use – This amount should align with the final water right of 986,000 acre-feet.

Prior Action:

June 2026 – Provide Board feedback on the Authority's key terms of an Excess Capacity Agreement with Reclamation which is being publicly negotiated starting June 23, 2026.

Fiscal Impact/Funding Source:

The Excess Capacity Agreement was completed within the budgeted funds currently authorized by the Board.

The final agreement on O&M and capital recovery charges for use of the TC Canal is additive to the charges being covered in the TCCA Facility Use Agreement. The O&M Charge of \$3.53/af (currently) is applied only to TC Canal diversions and the Storage O&M charge of \$18.01/af (currently) only applies if Sites Water is introduced into Federal storage facilities which is not currently planned, except possibly in San Luis Reservoir in which case, this can be covered under the future agreement or through the DWR conveyance agreement. The rates and charge amounts are evaluated and subject to change every year by Reclamation.

Staff Contact:

Jerry Brown

Attachments:

Attachment A – How Sites Authority's Key Terms of Excess Capacity Agreement have been addressed in the final agreement

Attachment B – Final draft Excess Capacity Agreement with Reclamation

Sites Authority's Key Terms of Agreement

Excess Capacity Contract with U.S. Bureau of Reclamation

The Authority's principal business and operational terms have been addressed in the proposed Long-Term Warren Act / Excess Capacity Contract with Reclamation, with exceptions noted.

1. Dedication of Excess Capacity –Ensure allowable quantities cover the full range of potential Sites operations throughout the entire life of the Project.
2. Long-Term Contract Duration – A 50-year term is proposed and would be acceptable using Agreement extensions applicable at the time of renewal.
3. Contract Effectiveness Tied to Implementation of the Sites Project, not Project Agreements - Execution of the contract remains contingent upon execution of the Sites Reservoir Project alone and should not be dependent upon any individual agreement between Sites Authority and Reclamation.
4. Operational Scheduling as Coordination, Not Federal Approval - The Authority seeks to clarify that water delivery schedules are submitted for operational coordination purposes and not as a discretionary federal approval right, except where necessary for the specific facility being used is experiencing operational constraints, maintenance issues, or otherwise lacks adequate excess capacity at that time.
5. Protection of Sites Water from Automatic Forfeiture - The Authority seeks to ensure that any relinquishment of Sites Water left in Federal Facilities is only invoked if not conveyed pursuant to contract operations and only after notice and an opportunity to remove or redirect the Sites water.

Relinquishment after 30 days is Reclamation's standard and aligns with water rights terms for forfeiture of water to State and Federal Projects. The Authority does not believe this will be an issue to manage to effectively avoid forfeiture.

6. Delivery Flexibility to Authority or Designee - The contract should expressly allow delivery of Sites Water to the Authority or its designated participant, contractor, or delivery recipient consistent with project operations.
7. Clear Allocation of Temporary Facility Responsibilities - The Authority's obligations for temporary inflow, delivery, and measurement facilities should be limited only to facilities constructed, owned, or operated by the Authority and not extend to existing federal facilities.

8. Measurement Responsibilities Goes to Owner of Facilities - Measurement, maintenance, and replacement obligations should apply only to Authority-owned facilities, with Reclamation retaining responsibility for federal measurement facilities.
9. Power Cost Responsibility Without Administrative Burden - The Authority acknowledges responsibility for all power costs associated with conveyance of Sites Water but seeks to avoid unnecessary administrative requirements such as pre-delivery proof of payment or separate side agreements outside the contract.
10. Reclamation Charges Applicable to Sites Water – The Authority i) will not be charged twice for the same costs between Reclamation and Non-Federal Operating Entity and ii) Reclamation's O&M and conveyance charges must be justified as directly attributable to the Sites Project. If applicable, such charges will apply to diverted water in the TC Canal, but not released water since the diversion charge would cover the entirety of the TC Canal use.

In addition, Reclamation agrees to not assert a priority over other Sites Storage Partners to the use of excess capacity in federal facilities for conveyance of Sites Water.

11. Clarification that Reclamation Provides Conveyance Only - The contract should expressly confirm that Reclamation's role is limited to providing excess conveyance capacity and does not create any ownership or beneficial interest in Sites Water.
12. Dispute Resolution Process - The Authority seeks inclusion of a dispute resolution process to address disagreements over scheduling, excess capacity determinations, measurement, and other operational issues before unilateral contract termination rights may be exercised.
13. Avoidance of Obsolete Reclamation Directives and Standards - References to specific Reclamation Directives and Standards should be updated or generalized to avoid future ambiguity where such directives are amended, superseded, or deleted.
14. Water Rights and Regulatory Compliance Clarifications - The Authority should get clarification of how the federal acreage limitation requirements and other Reclamation law provisions would be implemented.

Federal acreage limitations language removed and does not apply to Sites Water.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES
AND
THE SITES PROJECT AUTHORITY
PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

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Exhibit A – Sites Authority’s Boundary Map

Exhibit B – Storage and Conveyance Rates

Exhibit C – Source(s) of Sites Authority’s Non-Project Water

Exhibit D – Point(s) of Introduction and Delivery of Non-Project Water

Exhibit E – Water Quality Standards

Exhibit F – Approved Laboratory List

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 CONTRACT BETWEEN THE UNITED STATES
6 AND
7 THE SITES PROJECT AUTHORITY
8 PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

9 THIS CONTRACT, made this _____ day of _____, 2026,
10 pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
11 supplementary thereto, including Section 1 of the Act of February 21, 1911 (36 Stat. 925),
12 Section 14 of the Act of August 4, 1939 (53 Stat. 1197), and Section 305 of the Reclamation
13 States Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59), all
14 collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED
15 STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer
16 executing this Contract, hereinafter referred to as the “Contracting Officer” or “Reclamation”,
17 and the SITES PROJECT AUTHORITY, hereinafter referred to as the “Sites Authority”, with its
18 principal place of business in Maxwell, California, individually “Party” and collectively
19 “Parties”.

20 WITNESSETH, That;

21 EXPLANATORY RECITALS

22 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
23 Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood
24 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
25 restoration, generation and distribution of electric energy, salinity control, navigation and other

beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, the Sites Authority, previously known as the Sites Joint Powers Authority, was formed as 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, with the primary purpose of designing, constructing, owning, operating and maintaining the Sites Project, a State-led storage project; and

[3rd] WHEREAS, the Sites Authority asserts a right to a Non-Project Water supply for Irrigation Water, Municipal and Industrial Water, and environmental purposes and has requested the United States convey said Non-Project Water through Excess Capacity in Central Valley Project Facilities, as identified in Exhibit C; and

[4th] WHEREAS, the United States is willing to convey said Non-Project Water to the Sites Authority through Excess Capacity in said Central Valley Project Facilities in accordance with the terms and conditions hereinafter stated; and

[5th] WHEREAS, the environmental compliance requirements for the execution of this Contract have been met by issuance of the Record of Decision for the Sites Project on January 23, 2026; and

[6th] WHEREAS, the United States and the Sites Authority have entered into a Partnership Agreement dated [XXXX, 2026] to memorialize the Federal investment in and associated benefits of the Sites Project; and

[7th] WHEREAS, this Contract shall be Exhibit **F** to the Partnership Agreement between the Sites Authority and United States; and

[8th] WHEREAS, the Sites Authority has agreed to donate Non-Project Water to the United States pursuant to the Refuge Water Donation Agreement dated [XXXX, 2026]; and

[9th] WHEREAS, the United States, the California Department of Water Resources, and the Sites Authority intend to enter into the Operations Agreement pursuant to the letter addressed to the Sites Authority dated [XXXX, 2026].

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed by the Parties hereto as follows:

DEFINITIONS

1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent of the Parties as expressed in this Contract, the term:

(a) “Calendar Year” shall mean the period January 1 through December 31, both dates inclusive;

(b) “Central Valley Project” or “CVP” shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;

(c) “Central Valley Project Use Power” shall mean electrical energy, and its associated ancillary service components, required to provide the full electrical service needed to operate and maintain Federal Facilities, and to provide electric service for CVP purposes and loads in conformance with the Reclamation Project authorization. Central Valley Project Use Power is not available to pump Non-Project Water, to operate pumps that were not built as Federal Facilities as part of the CVP, to pump CVP Water outside the authorized service area, or provide for on-farm uses;

72 (d) “Contracting Officer” shall mean the Secretary of the Interior’s duly
73 authorized representative acting pursuant to this Contract or applicable Reclamation law or
74 regulation;

75 (e) “CVP Water” shall mean all water that is developed, diverted, stored, or
76 delivered by the Secretary in accordance with the statutes authorizing the CVP and in accordance
77 with the terms and conditions of water rights acquired pursuant to California law for such water;

78 (f) “Excess Capacity” shall mean capacity in the Federal Facilities in excess
79 of that needed to meet the CVP’s authorized purposes, as determined solely by the Contracting
80 Officer once the Sites Project reaches a state of Completion as defined in the Partnership
81 Agreement, which may be made available to convey and deliver Non-Project Water;

82 (g) “Federal Facilities” shall mean the facilities owned by the United States,
83 as listed in Exhibit D;

84 (h) “Irrigation Water” shall mean Non-Project Water used to irrigate land
85 primarily for the production of commercial agricultural crops or livestock, and domestic and
86 other uses that are incidental thereto;

87 (i) “Municipal and Industrial (M&I) Water” shall mean Non-Project Water
88 used for municipal, industrial, and miscellaneous other purposes not falling under the definition
89 of “Irrigation Water” or within another category of water use under applicable Federal
90 authorities;

91 (j) “Non-Project Water” shall mean water appropriated by the Sites Authority
92 through the Sites Water Right and other water as identified in Exhibit C that has not been
93 appropriated or acquired by the United States;

(k) “Operating Non-Federal Entity” shall mean the non-Federal entity that has the obligation, pursuant to a separate agreement with the United States, to operate and maintain all or a portion of the Federal Facilities, and which may have funding obligations with respect thereto;

(l) “Rates” shall mean the amount to be paid to the United States by the Sites Authority, as set forth in Exhibit B, for the use of Excess Capacity in the Federal Facilities made available pursuant to this Contract;

(m) “Secretary” shall mean the Secretary of the Interior, a duly appointed successor, or an authorized representative acting pursuant to any authority of the Secretary and through any agency of the Department of the Interior;

(n) “Sites Authority’s Boundaries” shall mean the geographic area within which the Sites Authority is authorized to serve Non-Project Water under this Contract as set forth on Exhibit A, which may be modified in accordance with Article 18, without amendment of this Contract. If the State Water Resources Control Board modifies the Contractor’s place of use under the Sites Water Right, the Sites Authority shall notify the Contracting Officer, in writing, within 90 days of changes;

(o) “Sites Project” shall mean the facilities utilized by the Sites Authority for the purpose of providing storage and conveyance of water, and other benefits, as such project may be modified from time to time;

(o) “Sites Water Right” shall mean the water right (order ##) obtained and held by the Sites Authority for the Sites Project.

(q) “Year” shall mean the period from and including March 1 of the Calendar Year through the last day of February of the following Calendar Year.

TERM OF CONTRACT

2. (a) This Contract shall become effective on the date hereinabove written and shall remain in effect for fifty (50) years through [Insert correct day].

(b) Execution of this Contract is contingent upon the execution of the following:

(i) Partnership Agreement between Reclamation and the Sites Authority

(ii) Refuge Water Donation Agreement between Reclamation and the Sites Authority

(iii) Contract for Administration of Public Benefits between the State of California and the Sites Authority

(iv) Operations Agreement between Reclamation, the State of California Department of Water Resources and the Sites Authority.

(c) This Contract may be renewed for successive terms, *Provided*, That the Sites Authority shall submit a request for renewal in writing to the Contracting Officer no later than two years prior to the date this Contract expires, and *Provided further*, That the Sites Authority is in compliance with all the terms and conditions of this Contract and the Sites Water Right.

(d) This Contract may be terminated by the Contracting Officer at an earlier date upon written notice to the Sites Authority, if the Contracting Officer determines that the Sites Authority has not complied with one or more terms or conditions of this Contract.

(e) The Parties agree that the dispute resolution process outlined in Article 10 of this Contract shall take effect before termination is considered.

140 INTRODUCTION, CONVEYANCE, AND DELIVERY OF NON-PROJECT WATER

141 UTILIZING FEDERAL FACILITIES

142 3. (a) During the term of this Contract, the Sites Authority may introduce up to
143 ##### acre-feet each Year of Non-Project Water from the source(s) identified in Exhibit C,
144 which Exhibit may be updated at any time without amendment of this Contract, into the Federal
145 Facilities at the points of delivery identified in Exhibit D which Exhibit may be updated at any
146 time without amendment of this Contract. The United States or the designated Operating Non-
147 Federal Entity shall convey Non-Project Water through Excess Capacity in the Federal Facilities
148 from said point(s) of introduction for delivery to the Sites Authority at the point(s) identified on
149 Exhibit D or other location(s) mutually agreed to in writing by the Contracting Officer and the
150 Sites Authority, in accordance with an approved schedule submitted by the Sites Authority
151 pursuant to subdivision (d) of this Article, *Provided*, That the quantity of Non-Project Water to
152 be conveyed for the Sites Authority utilizing Federal Facilities shall not exceed the quantity of
153 Non-Project Water introduced into the Federal Facilities at said point(s) of introduction by the
154 Sites Authority, less applicable conveyance losses.

155 (b) Exhibits C and D may be modified or replaced by mutual agreement of the
156 Sites Authority and the Contracting Officer to reflect changes to the source(s) of Non-Project
157 Water and point(s) of delivery without amendment of this Contract, *Provided, however*, That no
158 such modification or replacement shall be approved by the Contracting Officer absent the
159 completion of all appropriate environmental documentation, including but not limited to,
160 documents prepared pursuant to the National Environmental Policy Act of 1969 (NEPA) and the
161 Endangered Species Act of 1973 (ESA), as amended, and to the extent required under applicable
162 law.

(c) All Non-Project Water conveyed and delivered to the Sites Authority pursuant to this Contract shall be compliant with the terms of the respective water rights listed in Exhibit C.

(d) Reclamation reserves the right to amend Exhibit B when applicable. Reclamation agrees to consult with the Sites Authority prior to finalization of any amendment.

(e) Prior to the introduction of Non-Project Water into the Federal Facilities, the Sites Authority shall submit a schedule to the Contracting Officer and the designated Operating Non-Federal Entity showing the quantities of Non-Project Water to be introduced into the Federal Facilities, and the desired time or times for delivery of said Non-Project Water; *Provided*, That the Sites Authority is not required to initially schedule delivery of the maximum quantity of Non-Project Water for which the Sites Authority desires conveyance during the Year. The initial schedule and any revision(s) thereof shall be in a form acceptable to the Contracting Officer and shall be submitted at such times and in such manner as determined by the Contracting Officer. The Sites Authority shall not introduce Non-Project Water into the Federal Facilities unless and until the schedule and any revision(s) thereof have been approved by the Contracting Officer.

(f) All Non-Project Water remaining in the Federal Facilities after thirty (30) days from the date of introduction or upon termination of this Contract shall be deemed to be unused water relinquished to the United States for CVP purposes. Further, all Non-Project Water made available for delivery to the Sites Authority from the Federal Facilities and not accepted by the Sites Authority shall be deemed to be unused water relinquished to the United States for CVP purposes.

185 (g) Unless otherwise agreed to in writing by the Contracting Officer, the Non-
186 Project Water shall be introduced into existing Federal Facilities and conveyed to the Sites
187 Authority or its designee. If temporary inflow or delivery facilities are required to effectuate the
188 introduction of Non-Project Water into the existing Federal Facilities or the conveyance of the
189 Non-Project Water to the Sites Authority or its designee utilizing the Federal Facilities, the
190 Authority shall, at its own cost and expense, obtain all appropriate environmental documents,
191 necessary rights-of-way for such facilities, including the appropriate right of-use agreement(s) or
192 other authorizations issued by the United States for any such facilities located on right-of-way
193 for existing Federal Facilities. The Sites Authority, at its own cost and expense, shall be
194 responsible for providing, installing, operating, maintaining, repairing, replacing, and removing
195 said inflow and delivery facilities. The Sites Authority hereby grants to the Contracting Officer
196 and the Operating Non-Federal Entity access, for the purpose of this Contract, to all temporary
197 inflow and delivery facilities installed and owned by the Sites Authority.

198 (h) The introduction, conveyance, and delivery of Non-Project Water pursuant
199 to this Contract will not be supported with Central Valley Project Use Power. If electrical power
200 is required to convey or pump the Non-Project Water into, through or from the Federal Facilities,
201 the Sites Authority shall be responsible for the acquisition and payment of all electrical power
202 and associated transmission service charges, and provide a copy of a power contract and copies
203 of payment documents to the Contracting Officer as evidence that such electrical power has been
204 contracted and paid for prior to the introduction, conveyance, and delivery of any Non-Project
205 Water;

206 (i) If electrical power is required to convey or pump the Non-Project Water into,
207 through, or from the Federal Facilities, the Sites Authority shall, prior to the introduction,

208 conveyance, and delivery of any Non-Project Water, enter into a letter of agreement with the
209 United States that provides for the payment of all actual energy costs and fees incurred in the
210 introduction, conveyance and delivery of the Non-Project Water.

211 (i) The Parties recognize and agree that the Non-Project Water donated to the
212 Refuge Water Supply Program by the Sites Authority is considered Incremental Level 4 at the
213 Point(s) of Acceptance pursuant to the Refuge Water Donation Agreement, dated XXXX.

214 Therefore, use of Federal Facilities for conveyance of Non-Project Water from Sites Reservoir to
215 the Point(s) of Acceptance will not be supported by Central Valley Project Use Power. Nothing
216 in this Contract shall modify the Refuge Water Donation Agreement.

217 (j) The Sites Authority shall have no rights to any benefits from incidental
218 power generation that may result from the conveyance of the Non-Project Water through Excess
219 Capacity in the Federal Facilities authorized pursuant to this Contract.

220 (k) The introduction of Non-Project Water into the Federal Facilities by the
221 Sites Authority shall be conditioned upon compliance by the Sites Authority with the
222 environmental measures described in the environmental documentation prepared in connection
223 with the execution of this Contract and with the terms of the applicable operations procedures
224 approved by the Contracting Officer.

225 (l) This Contract does not give Reclamation's delivery of Non-Project Water a
226 higher or lower priority than the delivery of Non-Project Water for the Sites Authority or its
227 designees. The Parties agree that Reclamation's share of the Non-Project Water delivered under
228 this Contract will have delivery priority consistent with all other Non-Project Water under this
229 Contract.

230 MEASUREMENT OF NON-PROJECT WATER

231 4. (a) All Non-Project Water shall be measured or caused to be measured and
232 recorded by the Sites Authority at the point(s) of introduction and point(s) of delivery established
233 pursuant to **Article ##** herein with measurement devices acceptable to the Contracting Officer
234 and the methods used to make such measurements shall be in accordance with sound engineering
235 practices.

236 (b) Unless otherwise agreed to in writing by the Contracting Officer, the Sites
237 Authority, at its own cost and expense, shall be responsible for providing, installing, operating,
238 maintaining, repairing, replacing, and removing all non-Federal measurement devices required
239 under this Contract in accordance with any right of-use agreement(s) or other requisite
240 authorization(s) issued by the United States. The Sites Authority shall be responsible for all
241 costs associated with the issuance of such right-of-use agreement(s) and authorization(s).

242 (c) The Sites Authority shall maintain accurate records of both the quantity of
243 Non-Project Water expressed in acre-feet and the flow of Non-Project Water expressed in cubic
244 feet per second introduced into and delivered from Federal Facilities at said authorized point(s)
245 of introduction and delivery and shall provide such records to the Contracting Officer and the
246 Operating Non-Federal Entity at such times and in such manner as determined by the
247 Contracting Officer.

248 (d) Upon the request of either Party to this Contract, the Contracting Officer
249 shall investigate or cause to be investigated by the Operating Non-Federal Entity, the accuracy of
250 all measurements of Non-Project Water required by this Contract. If the investigation discloses
251 errors in the recorded measurements, such errors shall be promptly corrected. If the investigation
252 discloses that measurement devices are defective or inoperative, the Contracting Officer shall

take any necessary actions to ensure that the responsible Party makes the appropriate adjustments, repairs, or replacements to the measurement devices. In the event the Sites Authority, as the responsible Party, neglects or fails to make or cause to make such adjustments, repairs, or replacements to the measurement devices within a reasonable time and to the reasonable satisfaction of the Contracting Officer, the Contracting Officer may cause such adjustments, repairs, or replacements to be made and the costs thereof shall be charged to the Sites Authority and the Sites Authority shall pay said charges to the United States immediately upon receipt of a detailed billing. For any period of time during which accurate measurements of the Non-Project Water have not been made, the Contracting Officer shall consult with the Sites Authority and the Operating Non-Federal Entity prior to making a determination of the quantity of Non-Project Water introduced, conveyed and delivered for that period of time and such determination by the Contracting Officer shall be final and binding on the Sites Authority.

OPERATION, MAINTENANCE, AND REPLACEMENT

BY OPERATING NON-FEDERAL ENTITY

5. (a) The operation, maintenance and replacement (OM&R) of a portion of the Federal Facilities to be used to introduce and convey Non-Project Water and responsibility for funding a portion of the costs of such OM&R, have been transferred from the United States to an Operating Non-Federal Entity pursuant to a separate agreement, which agreement may be amended, superseded or replaced. That separate agreement shall not interfere with or affect the rights or obligations of the Sites Authority or the United States hereunder.

(b) The Sites Authority shall pay directly to the Operating Non-Federal Entity, or to any successor approved by the Contracting Officer under the terms and conditions of the separate agreement described in subdivision (a) of this Article, all rates, charges, or

assessments of any kind, including any assessment for reserve funds, that the Operating Non-Federal Entity or such successor determines, sets, or establishes for the OM&R of the portion of the Federal Facilities operated and maintained by the Operating Non-Federal Entity or such successor used to convey the Non-Project Water.

(c) For so long as the OM&R of any portion of the Federal Facilities used to convey the Non-Project Water to the Sites Authority is performed by the Operating Non-Federal Entity, or any successor thereto, the Contracting Officer shall adjust those components of the Rates for the Non-Project Water conveyed under this Contract by deleting the costs associated with the activity being performed by the Operating Non-Federal Entity or its successor.

(d) In the event the United States reassumes OM&R of any portion of the Federal Facilities from the Operating Non-Federal Entity, the Contracting Officer shall so notify the Sites Authority, in writing, and shall revise the Rates on Exhibit B to include the costs associated with the OM&R activities reassumed by the United States. The Sites Authority shall, thereafter, in the absence of written notification from the Contracting Officer to the contrary, pay the Rates, specified in the revised Exhibit B directly to the United States in compliance with Article 6 of this Contract.

PAYMENTS AND ADJUSTMENTS

6. (a) At the time the Sites Authority submits a schedule, or any revision(s) thereof pursuant to subdivision (d) of Article 3 of this Contract, the Sites Authority shall make an advance payment to the United States equal to the total amount payable pursuant to the applicable Rates shown on Exhibit B for each acre-foot of Non-Project Water to be introduced into the Federal Facilities. Non-Project Water shall not be introduced into Federal Facilities by the Sites Authority prior to such payment being received by the United States. Final adjustments

between the advance payments for the Non-Project Water scheduled and payment for the quantities of Non-Project Water conveyed during the Calendar Year pursuant to this Contract shall be made as soon as practicable but not later than April 30 of the following Calendar Year.

(b) The quantity of water conveyed through Federal Facilities to the Sites Authority shall not exceed the quantity of Non-Project Water authorized pursuant to subdivision (a) of Article 3 of this Contract.

(c) The amount of any overpayment by the Sites Authority by reason of the quantity of Non-Project Water introduced into the Federal Facilities and conveyed pursuant to this Contract, as conclusively determined by the Contracting Officer, having been less than the quantity which the Sites Authority otherwise under the provisions of this Contract would have been required to pay for, shall be applied first to any accrued indebtedness arising out of this Contract then due and owing to the United States by the Sites Authority. Any amount of such overpayment then remaining shall be refunded to the Sites Authority: *Provided, however, That* no refund shall be made by the United States to the Sites Authority for any quantity of Non-Project Water deemed to be unused water relinquished to the United States for CVP purposes pursuant to subdivision (f) of Article 3 of this Contract.

(d)

(e) Charges paid by the Sites Authority pursuant to subdivision (a) of this Article, shall be covered into the Central Valley Project fund in accordance with Section 14 of the Act of August 4, 1939 (53 Stat. 1197) and Section 3.A(2) of Reclamation Manual Directives and Standards *Charges for Non-Project Use of Excess Capacity in Reclamation Project Facilities* (PEC 05-11), as may be revised or superseded.

(f) The payment of the Rates set forth in this Article for the use of Excess Capacity are exclusive of OM&R costs to be paid directly to the Operating Non-Federal Entity by the Sites Authority, and any additional charges that the Sites Authority may assess its water users. In accordance with the Act of February 21, 1911 (36 Stat. 925), the Sites Authority may not impose on its water users any charge for the use of Excess Capacity that exceeds the total amount paid to the United States and to the Operating Non-Federal Entity: *Provided, That* the Sites Authority may also charge its water users such additional amounts as are necessary to cover the Sites Authority's reasonable administrative costs in contracting with the United States for the use of Excess Capacity in the Central Valley Project Facilities.

EXCESS CAPACITY

7. (a) The availability of Excess Capacity shall be determined solely by the Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States from utilizing available capacity in the Federal Facilities for the storage and conveyance of CVP Water pursuant to Federal law, Reclamation law or policy, and existing contract(s), or for using Excess Capacity in the Federal Facilities for the storage and conveyance of any other supplies of Non-Project Water.

(b) The Contracting Officer and the Operating Non-Federal Entity shall not be obligated to convey Non-Project Water during periods of maintenance or for other operating requirements.

(c) If at any time the Contracting Officer reasonably determines that there will not be Excess Capacity in the Federal Facilities sufficient to allow the Non-Project Water to be introduced into, conveyed, and delivered in accordance with an approved schedule submitted by

the Sites Authority, the Contracting Officer shall so notify the Sites Authority in writing. Within 24 hours of said notice, the Sites Authority shall revise its schedule accordingly.

(d) No provision of this Contract shall be construed in any way as a basis for the Sites Authority to establish a priority to or a permanent right to the use of Excess Capacity in the Federal Facilities nor to set a precedent to obligate the United States to enter into contracts with any other entities or individuals for the conveyance or storage of Non-Project Water.

RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER

8. (a) The Parties hereto acknowledge that this Contract does not grant any permission or entitlement to the Sites Authority to extract and/or divert Non-Project Water from the source(s) described on Exhibit C or to change the nature or place of use of its rights to said Non-Project Water in any way. It is the responsibility of the Sites Authority to comply with all applicable Federal, State, and local laws, rules and regulations, including, but not limited to, State water law in relation to the Non-Project Water. Except to the extent Non-Project Water is part of the United States' interest under the Partnership Agreement, and to the extent that the Sites Authority is providing Non-Project Water under the Refuge Water Donation Agreement, it is expressly understood by the Parties that the United States is otherwise only providing conveyance capacity for the Non-Project Water and does not claim any interest in the acquisition or use of the Non-Project Water beyond the terms specifically set forth in this Contract.

(b) The Contracting Officer makes no representations as to the accuracy of the description or of the validity of the Sites Authority's rights to the Non-Project Water described in Exhibit C.

UNITED STATES NOT LIABLE

9. (a) The United States, its officers, agents and employees, including the Operating Non-Federal Entity, shall not be responsible for the control, care, or distribution of Non-Project Water before it is introduced into or after it is delivered from the Federal Facilities. Except to the extent Non-Project Water is part of the United States' interest under the Partnership Agreement, and to the extent that the Sites Authority is providing Non-Project Water under the Refuge Water Donation Agreement, it is specifically understood by the Parties hereto that the United States is otherwise only providing conveyance capacity for the Non-Project Water and does not claim any interest in Non-Project Water beyond the terms specifically set forth in this Contract.

(b) The Sites Authority shall indemnify and hold harmless the United States, its officers, agents, employees, and assigns, and the Operating Non-Federal Entity, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage, of any nature whatsoever arising out of any actions or omissions of the Sites Authority, its directors, officers, agents, contractors, employees, and assigns under this Contract, including the manner or method in which the Non-Project Water identified in Exhibit C is introduced into and delivered from the Federal Facilities. The Sites Authority further releases the United States, its officers, agents, employees, assigns, and the Operating Non-Federal Entity, from every claim for injury to persons, death, or property damage, direct or indirect, resulting from the Contracting Officer's determination of the quantity of Excess Capacity available in the Federal Facilities for conveyance of the Non-Project Water; the determination that the Non-Project Water introduced into Federal Facilities must be terminated; or the elimination from Exhibit C of any source(s) of Non-Project Water. Nothing

contained in this Article shall be construed as an assumption of liability by the Sites Authority with respect to such matters.

DISPUTE RESOLUTION

10. (a) Should any dispute arise concerning any provision(s) of this Contract, or the Parties' rights and obligations thereunder, the United States and the Sites Authority shall meet and confer in an attempt to informally resolve the dispute. Both Parties agree to work in good faith to resolve any disputes which may arise. If the Parties are unable to resolve the dispute at this level, then the dispute will be elevated to the Contracting Officer and the Executive Director or designee of the Sites Authority. If the Parties are unable to resolve the dispute at this level, the Contracting Officer will make a final decision. Either Party may seek relief in a court of competent jurisdiction, consistent with Federal law and without waiving the United States' sovereign immunity from suit. Prior to the Sites Authority commencing any legal action, or the Contracting Officer referring any matter to the Department of Justice, the Party shall provide to the other Party thirty (30) days' written notice of the intent to take such action; Provided, that such notice shall not be required where a delay in commencing an action would prejudice the interests of the Party that intends to file suit. During the thirty (30) day notice period, the Parties shall meet and confer in an attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or abridge any right or remedy that the Sites Authority or the United States may have.

(b) Reclamation shall have no responsibility to participate in or resolve disputes between the Sites Authority and any third party regarding this Contract.

(c) If the Sites Authority seeks to resolve a dispute with a third party, such resolution cannot violate the terms of this Contract without Reclamation's consent.

CHARGES FOR DELINQUENT PAYMENTS

11. (a) The Sites Authority shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, the Sites Authority shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest charge, the Sites Authority shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to the interest and administrative charges, the Sites Authority shall pay a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Sites Authority shall also pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of either the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments or the interest rate of 0.5 percent per month. The interest charge rate will be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty charges, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

(d) If Reclamation pays the Operating Non-Federal Entity directly for the Sites Authority's delinquent payment, the Sites Authority shall credit Reclamation as an In-Kind Service or reimburse Reclamation as provided in the Partnership Agreement.

GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

12. (a) The obligation of the Sites Authority to pay the United States as provided in this Contract is a general obligation of the Sites Authority notwithstanding the manner in which the obligation may be distributed among the Sites Authority's water users and notwithstanding the default of individual water users in their obligation to the Sites Authority.

(b) The payment of charges becoming due pursuant to this Contract is a condition precedent to receiving benefits under this Contract. The United States shall not make Non-Project Water available to the Sites Authority through Central Valley Project Facilities during any period in which the Sites Authority is in arrears in the advance payment of Rates and charges due the United States. The Sites Authority shall not deliver Non-Project Water under the

terms and conditions of this Contract for lands or Parties that are in arrears in the advance payment of rates and charges as levied or established by the Sites Authority.

NOTICES

13. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or delivered to Bureau of Reclamation, 2800 Cottage Way, Sacramento, CA 95825-1898, and on behalf of the United States, when mailed, postage prepaid, or delivered to Sites Project Authority, P.O. Box 517, 122 Old Highway 99 West, Maxwell, California 95955. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

14. The expenditure or advance of any money or the performance of any obligation of the United States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Sites Authority from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

15. No Member of or Delegate to the Congress, Resident Commissioner, or official of the Sites Authority shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN SITES AUTHORITY'S ORGANIZATION

16. While this Contract is in effect, no change may be made in the Sites Authority's organization, by inclusion or exclusion of lands or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the Sites Authority under this Contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

17. The provisions of this Contract shall apply to and bind the successors and assigns of the Parties hereto, but no assignment or transfer of this Contract or any right or interest therein by either Party shall be valid until approved in writing by the other Party.

BOOKS, RECORDS, AND REPORTS

18. (a) The Sites Authority shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the Sites Authority's financial transactions; water supply data; Sites Project operation,

475 maintenance, and replacement logs; Sites Project land and rights-of-way use agreements; the
476 water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other
477 matters that the Contracting Officer may require. Reports shall be furnished to the Contracting
478 Officer in such form and on such date or dates as the Contracting Officer may require in
479 accordance with applicable laws, rules, regulations, and Reclamation Manual Directives and
480 Standards. Subject to applicable Federal laws and regulations, each Party to this Contract shall
481 have the right during office hours to examine and make copies of the other Party's books and
482 records relating to matters covered by this Contract.

483 COMPLIANCE WITH FEDERAL RECLAMATION LAWS

484 19. (a) The parties agree that the delivery of irrigation water or use of Federal
485 facilities pursuant to this Contract is subject to Federal reclamation law, as amended and
486 supplemented, and the rules and regulations promulgated by the Secretary of the Interior under
487 Federal reclamation law.

488 (b) The Sites Authority shall comply with all applicable Federal, State, and
489 local laws, executive orders, rules and regulations applicable to its performance under this
490 Contract.

492 PROTECTION OF WATER AND AIR QUALITY

493 20. (a) Central Valley Project Facilities used to make available and deliver Non-
494 Project Water to the Authority shall be operated and maintained in the most practical manner to
495 maintain the quality of the Non-Project Water at the highest level possible as determined by the
496 Contracting Officer: Provided, That the United States does not warrant the quality of the Non-
497 Project Water delivered to the Sites Authority and is under no obligation to furnish or construct
498 water treatment facilities to maintain or improve the quality of the Non-Project Water delivered
499 to the Sites Authority.

500 (b) The Sites Authority shall comply with all applicable water and air
501 pollution laws and regulations of the United States and the State of California; and shall obtain
502 all required permits or licenses from the appropriate Federal, State, or local authorities necessary
503 for the delivery of Non-Project Water by the Sites Authority; and shall be responsible for
504 compliance with all Federal, State, and local water quality standards applicable to surface and
505 subsurface drainage and/or discharges generated through the use of CVP Facilities or Sites
506 Authority facilities or Non-Project Water provided by the Sites Authority within the Sites
507 Authority's Place of Use.

(c) This Article ## shall not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

(d) The Non-Project Water introduced into the Federal Facilities shall be of such quality, as determined solely by the Contracting Officer, as to not significantly degrade the quality of the CVP Water. If it is determined by the Contracting Officer that the quality of the Non-Project Water from any source(s) identified in Exhibit C will significantly degrade the quality of CVP Water in or introduced into the Federal Facilities, the Sites Authority shall, upon receipt of a written notice from the Contracting Officer, arrange for the immediate suspension of the introduction of Non-Project Water from such source(s) into the Federal Facilities. Such suspension shall remain in effect until the Sites Authority remediates the water quality of the Non-Project Water to an acceptable level and any future Non-Project Water introduction into Federal Facilities no longer significantly degrades CVP Water quality determined solely by the Contracting Officer. The Contracting Officer reserves the right to modify Exhibit C to delete such source(s) of Non-Project Water.

(e) Exhibit E identifies the minimum water quality standards for monitoring the quality of Non-Project Water introduced by the Sites Authority into Federal Facilities. The Sites Authority is responsible for metering, sampling, and analytical costs associated with evaluating quality of the Non-Project Water.

(f) At all times during the term of this Contract, the Sites Authority shall be in compliance with the requirements of Exhibit E acceptable to the Contracting Officer and the then-current Water Quality Portfolio (Portfolio) reviewed by the Contracting Officer and approved by the State Water Resources Control Board, consistent with the Sites Water Right, to monitor Non-Project Water introduced into and conveyed through the Federal Facilities. Exhibit

E shall describe the sample collection procedures, water testing methods, and data review process, including quality control/quality assurance protocols, to verify analytical results.

(g) The Contracting Officer reserves the right to require additional analyses to ensure the Non-Project Water meets the Bureau of Reclamation's water quality acceptance criteria.

WATER CONSERVATION

21. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this Contract, the Sites Authority shall develop a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

22. (a) The Sites Authority shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Contract, the Sites Authority agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) The Sites Authority makes this Contract in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Sites Authority by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Sites Authority recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(d) Complaints of discrimination against the Sites Authority shall be investigated by the Contracting Officer's Office of Civil Rights.

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MEDIUM FOR TRANSMITTING PAYMENTS

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23. (a) All payments from the Sites Authority to the United States under this contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

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(b) Upon execution of the contract, the Sites Authority shall furnish the Contracting Officer with the Sites Authority's taxpayer's identification number (TIN). The purpose for requiring the Sites Authority's TIN is for collecting and reporting any delinquent amounts arising out of the Sites Authority's relationship with the United States.

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CONTRACT DRAFTING CONSIDERATIONS

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24. This Contract has been negotiated and reviewed by the Parties hereto, each of whom is sophisticated in the matters to which this Contract pertains. The double-spaced articles of this Contract have been drafted, negotiated, and reviewed by the Parties, and no one Party shall be considered to have drafted the stated Articles.

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SEVERABILITY

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25. In the event that any one or more of the provisions contained herein is, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, but this Agreement is to be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties by this Agreement to become unavailable or materially altered.

588

INCORPORATION OF EXHIBITS

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26. Exhibits A through F are attached hereto and incorporated herein by reference.

590 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day
591 and year first above written.

592 (SEAL) UNITED STATES OF AMERICA

593 By: _____
594 Regional Director
595 California Great-Basin Region
596 Bureau of Reclamation

597 SITES PROJECT AUTHORITY

598 By: _____
599 [Name], [Title]

09/15/2026 Reclamation Exhibit 4

09/14/2026 Live Editing Session

Contract No. 26-WC-20-6423

EXHIBIT A

AUTHORITY'S BOUNDARIES

DRAFT

EXHIBIT B

STORAGE AND CONVEYANCE RATES

DRAFT

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EXHIBIT C

SOURCE(S) OF NON-PROJECT WATER SITES AUTHORITY

The source of the Sites Authority's Non-Project Water Supply shall refer to the Sites Water Right, described herein below:

The source of the Sites Authority's Non-Project Water supply is the (1) Sacramento River in Tehama County and (2) Sacramento River in Glenn County diverted and stored under the Sites Authority's Water Right Application 33534, which authorizes the Sites Authority to divert and store Municipal, Domestic, Industrial, Irrigation, Recreational, Stockwatering, Frost Protection, Fish and Wildlife Preservation and Enhancement, and Incidental Power uses.*

EXHIBIT D

POINT(S) OF INTRODUCTION AND DELIVERY OF NON-PROJECT WATER

GPS
Coordinates

Power
Required?

Points of Introduction

Red Bluff Pumping Plant

Funks Reservoir

Points of Delivery

Funks Reservoir

Tehama-Colusa Canal

EXHIBIT E

WATER QUALITY STANDARDS

WATER QUALITY STANDARDS AND SITES-SPECIFIC CONSTITUENTS OF CONCERN

1. Purpose

This Exhibit identifies the water quality requirements applicable to Non-Project Water introduced into the Federal Facilities pursuant to this Contract. The Parties intend that water quality monitoring under this Contract utilize, to the maximum extent practicable, monitoring otherwise required of the Sites Authority and not establish duplicative or additional monitoring requirements.

2. Applicable Water Quality Requirements

Non-Project Water introduced into the Federal Facilities shall comply with the water quality requirements of the then-current Quality Assurance Action Plan applicable to introduction and conveyance of non-CVP water through the Tehama-Colusa Canal ("TC Canal QAAP"), together with the Sites-specific constituents of concern identified in Section 3 of this Exhibit.

3. Sites-Specific Constituents of Concern

In addition to the constituents addressed by the TC Canal QAAP, the following Sites Reservoir-related constituents shall be considered, consistent with the monitoring required under the Sites Water Right and the Water Quality Portfolio approved by the State Water Resources Control Board:

(a) Cyanobacteria and Cyanotoxins. Cyanobacteria and cyanotoxins associated with harmful algal blooms ("HABs"), including the physical, chemical, biological, and other parameters required to be monitored under the Sites Water Right for evaluating the presence, development, and release of HABs from Sites Reservoir.

(b) Methylmercury. Methylmercury in Sites Reservoir and water released from Sites Reservoir,

including associated monitoring required under the Sites Water Right and approved

Methylmercury Mitigation Plan.

(c) Temperature. Water temperature associated with releases from Sites Reservoir, to the extent monitoring is required under the Sites Water Right and approved Water Quality Portfolio.

4. Monitoring

Monitoring of the Sites-specific constituents identified in Section 3 shall be conducted in accordance with the Sites Water Right, the then-current Water Quality Portfolio approved by the State Water Resources Control Board, and the monitoring plans incorporated therein.

No monitoring location, frequency, analytical method, constituent, parameter, or reporting requirement in addition to those otherwise required under the Sites Water Right or approved Water Quality Portfolio shall be required solely by reason of this Contract.

The Sites Authority shall make available to the Contracting Officer water quality monitoring information collected pursuant to the Sites Water Right that is reasonably necessary to determine compliance with the water quality requirements applicable to introduction of Non-Project Water into the Federal Facilities.

5. Modification

This Exhibit may be modified by mutual written agreement of the Parties to reflect changes to the TC Canal QAAP, the Sites Water Right, or the Water Quality Portfolio. Any such modification shall be consistent with the intent that this Contract not independently impose monitoring requirements beyond those otherwise applicable to the Sites Authority under the Sites Water Right, except as mutually agreed by the Parties.

6. Review

Reclamation and the Sites Authority shall jointly review this Exhibit, which review shall be

performed at least every five (5) Years. A more frequent review will occur if determined to be appropriate by the Parties.

DRAFT

09/15/2026 Reclamation Exhibit 4

09/14/2026 Live Editing Session

Contract No. 26-WC-20-6423

EXHIBIT F

APPROVED LABORATORY LIST

DRAFT



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

September 18, 2026

Subject: **Conditions Precedent Reporting**

Requested Action:

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

Detailed Description/Background:

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

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

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

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

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

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

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

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

Prior Action:

June 2026 – Received a quarterly update.

Fiscal Impact/Funding Source:

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

Staff Contact:

Ali Forsythe/JP Robinette/Jerry Brown

Primary Service Provider:

None

Attachments:

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

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



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

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



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



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

Notes:

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

sitesproject.org/agreements/

sitesproject.org/permitting/

sitesproject.org/environmental-review/

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

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

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



Meeting: **Reservoir Committee & Authority Board Agenda
Item 2.3**

September 18, 2026

Subject: **Sites Project Baseline Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance 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 with a consistent, comprehensive, and transparent basis for the upcoming participation level and financial commitment decisions. This report is being presented for acceptance by the Board.

Since the August PBR draft was provided, the final draft water right and associated CalSim3 modeling results have been incorporated into the PBR, along with the updates associated with the Plan of Finance. Board comments received in the July and August Board meetings, along with comments received following the August Board meeting from Participants have been reviewed and incorporated as indicated in the PBR comment log that is provided at Attachment B of this staff report. Links, formatting and additional clarifying text and the finalized attachments have also been added to the PBR. The document is now complete and ready for acceptance by the Authority Board. The PBR for acceptance is available as Attachment A of this staff report.

The final version of the PBR will be posted to the Project website. This version may include minor document clean up.

Prior Action:

August 2026 - Receive a status update and provide feedback on revised August 2026 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

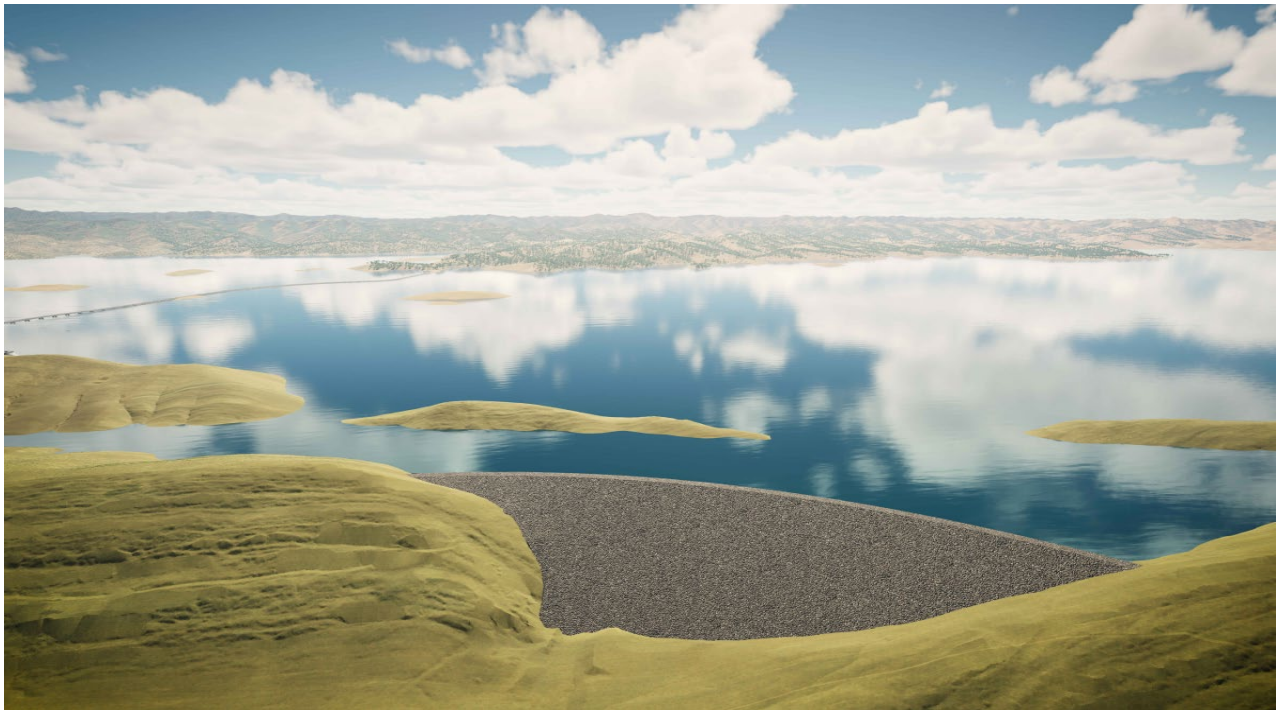
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Attachments:

Attachment A – Sites Project Baseline Report

Attachment B – Sites Project Baseline Report Comment Response Log

Sites Reservoir Project Baseline Report



September 2026

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Version record

Version	Date	Description
1.0	September 15, 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
F	Loss Assumptions Summary
G	Conditions Precedent Status Summary
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A note from the Chairperson of the Sites Authority Board

As a long-time rice farmer in the northern Sacramento Valley, I have seen the whiplash effects of too much water one year, and not enough water the next. This pattern of increasing weather extremes is already posing challenges to water users throughout our state, and it will become more severe in the future. The storage space in Sites Reservoir will act as a savings account for water, allowing us to save water when it's plentiful, and have it available for agriculture, city dwellers, and the environment when we otherwise wouldn't have it.

Wise use of our natural resources includes recognizing opportunities that nature provides. For several generations, Californians have observed that the topography of the Sites Valley west of Maxwell is a natural bowl with surrounding ridges and impermeable geology perfectly suited for storing water. It's also strategically located to be compatible with our existing water conveyance systems.

What past generations could not have imagined is the way this powerful coalition of agencies, representing north and south, rural and urban, small and large, have come together to design a 21st century solution to our shared water supply challenges. Sites Reservoir would not be possible without the partnership we have created together.

It's hard to overstate how different Sites is from all the other water projects in the history of California water management. As a beneficiary-pays project, local agencies individually and collectively govern the construction and operations of the project, fund the project, and receive the water supply generated from our share of the project. In addition to having control over the water in our individual storage allocations, the reservoir creates an efficient marketplace for water exchanges that has not existed before.

The State and Federal governments have also committed to being participants in the project. The Federal investment, through the WIIN Act, will provide ecosystem benefits and operational flexibility. The State is investing Proposition 1 Water Storage Investment Program Bonds to secure ecosystem benefits, recreational opportunities, emergency water supplies and flood risk reduction benefits that will have an impact across California.

The Sites Project is smart, straightforward, and in tune with how we think about the needs of people and the environment today and for the next century. It will bring reliability and efficiency to California's water management, potentially allowing farmers like me to avoid fallowing land during droughts. It will also be an important component of urban water supply portfolios, buffering the affordability impacts of prolonged dry periods.

Over our years of working together to bring this vision to reality, we have overcome differences and built a community of trust. Part of that trust is respecting that each agency has different needs, resources, and constituents. This Baseline Report provides information to help each Participant agency weigh the benefits and costs of the Project and decide the best path forward for the community it serves.

I believe strongly that we must build Sites Reservoir. We are on the cusp of doing something that past generations could not accomplish and future generations will be proud of. We will get this done together.

Sincerely,

A handwritten signature in black ink that reads "Fritz Durst". The signature is written in a cursive, slightly stylized font.

Frederick "Fritz" Durst
Chair, Sites Project Authority Board
Vice President, Reclamation District No. 108

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 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 that 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 “Storage Partners” includes the Participants, 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 Project benefits, costs, and risks and should be viewed as establishing metrics for reporting to the Reservoir Management Board and the Joint Powers Authority Board of Directors (Authority Board) as the Project evolves. Table E-1 below establishes the Baseline Report metrics.

Table E-1. Baseline report metrics

Baseline Report Metric	Baseline Report Value	Notes
New Operational Water Storage	1.41 MAF	Excludes Inactive Storage Pool
Dry Year Prioritization Average Annual Releases and Transfers	217,000 AF/year	
Top Speed Average Annual Releases and Transfers	238,000 AF/year	
Dry Year Prioritization Average Annual Deliveries and Transfers	171,000 AF/year	Includes carriage water losses for South-of-Delta deliveries
Top Speed Average Annual Deliveries and Transfers	192,000 AF/year	Includes carriage water losses for South-of-Delta deliveries
Management Estimate	\$6.6 billion, 2024\$	
Management Forecast	--	To be set at resolution to construct
Governance Estimate	\$7.5 billion, 2024\$	
Governance Forecast	\$9.9 billion	Used for annual cost analysis
Level Debt Service	\$405 million	Interest-only during construction
Annual Fixed O&M for Year 1 of Operations Costs	\$17.6 million, 2035\$	Subject to escalation
Variable O&M Costs	--	Variable O&M costs are provided in Table 3 of the Plan of Finance
Project Operational Date	November 20, 2034	Reservoir filling begins

Key:

AF = acre-feet; MAF = million acre-feet; O&M = operations and maintenance

Note: Releases and deliveries based on the Sept 2026 Revised Draft Water Right Term 23 Conditions

For definitions of terms in this table, see the following Sections: Top Speed (Section 5.8), Dry Year Prioritization (Section 5.8), Management Estimate (Section 7.2), Management Forecast (Section 7.7),

Governance Estimate (Section 7.2) Governance Forecast (Section 7.7), and Fixed and Variable Operations and Maintenance (O&M) (Section 7.12).

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? (Section 2.0)
- How much water will the Project provide? (Section 3.0)
- What facilities comprise the Project? (Section 4.0)
- How and when will Sites Water be diverted into, stored, and released from Sites Reservoir? (Section 5.0)
- How will Storage Allocation and Capacity Interest be managed? (Section 6.0)
- How much will the Project cost and how will it be funded? (Section 7.0)
- What is the Project baseline schedule? (Section 8.0)
- What are the primary Project risks, and how will they be mitigated? (Section 9.0)
- What is the status of the Conditions Precedent items and related documents? (Section 10.0)
- What are the next steps? (Section 11.0)

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 13.0 of this report.)

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

Sites Reservoir will hold approximately 1.5 million acre-feet of water, including 1.41 acre-feet of operational water storage. 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 to bracket possible Storage Partner operations: the “Dry Year Prioritization” scenario and the “Top Speed” scenario. The Dry Year Prioritization scenario prioritizes releases from Sites Reservoir in the drier water year types. The Top Speed scenario seeks to move water out of Sites Reservoir each year. These scenarios are described in Section 5.8. Table E-2 shows (1) the long-term average annual deliveries and transfers and (2) average deliveries and transfers in dry and critical years under the Dry Year Prioritization scenario and Top Speed scenario. The values in Table E-2 are approximations—each Storage Partner has the flexibility to manage its account as it sees best within its water supply portfolio.

Table E-2. Long-term average annual deliveries and transfers and dry and critical year average annual deliveries under the Dry Year Prioritization scenario and 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 Participants (includes American Canyon)	10	11	11	6
Total NOD Transfer (end-point delivery)	23	14	32	4
Transfer to NOD Demand (end-point delivery)	12	0	29	0
Transfer to SOD Demand (end-point delivery)	11	14	3	4
SOD Participants	76	139	85	120

CVP Operational Flexibility	28	77	31	78
Refuge Water Supply	34	33	33	32
NOD	8	9	8	8
SOD	26	25	26	24
Total Deliveries and Transfers	171	275	192	240

Key: CVP = Central Valley Project; NOD = North of Delta; SOD = South of Delta; TAF = thousand acre-feet

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

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\$) over the projected construction schedule of 2027 through 2035. 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 \$910 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 Management Estimate will be used as the budget target for Sites administration to measure progress. The Governance Estimate represents the total project cost estimate, including the full Governance Contingency. Attachment A summarizes the cost components and contingencies included in the Management Estimate and Governance Estimate.

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 (2024\$) Governance Estimate is escalated over the Project baseline schedule resulting in an estimated forecasted funding requirement of approximately \$9.9 billion in year-of-expenditure dollars over the projected construction period ending in 2035. This value represents the Governance Forecast.

The Plan of Finance for the Sites Project also includes fixed O&M, variable O&M, and repair and replacement (R&R) costs. Fixed O&M costs, which are incurred regardless of reservoir operations, include labor, materials, consulting services, administrative expenses, in-lieu property tax payments, franchise fees, insurance, legal costs, and periodic major maintenance of dams, inlet/outlet (I/O) facilities, roads, and bridges. These costs are estimated at \$17.6 million (2035\$) and are escalated at 3.5 percent annually. R&R costs under \$35 million are assumed to be funded on a pay-as-you-go basis and billed to Participants 1 year in advance, net of any State and Reclamation contributions, while major replacement projects exceeding \$35 million are assumed to be financed and recovered through 30-year debt service. Details are available in Table 3 of the Plan of Finance. Variable O&M costs fluctuate based on the amount of water conveyed into and out of the reservoir and consist primarily of power, wheeling, and conveyance fees, offset by revenues from power generation during reservoir releases. As a result, variable O&M costs will vary among Participants depending on how they use the Project, such

as for dry year supply (e.g., the Dry Year Prioritization scenario) or to enhance yield through regular reservoir operations (e.g., the Top Speed scenario), as well as by annual hydrologic conditions. Variable O&M cost details are provided in Table 3 of the Plan of Finance.

Additional information regarding cost-estimate development and cost management is provided in Section 7.0. The 30% Design Total Project Cost Estimate Summary, which includes contract and noncontract cost components, is provided as 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 (Sites Authority), and Participant self-funding (i.e., pay-as-you-go). Participants are all the agencies who are providing funding for the 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). Water Infrastructure Finance and Innovation Act (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 U.S. Department of the Interior, Bureau of Reclamation (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 as reflected in the Benefits and Obligations (B&O) 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.

Per the Proposition 1 bond language, the State is paying for public benefits. Therefore, the State share of all Project costs is determined by the value of benefits which then gets translated to the final funding award made in dollars at the time of the award. Currently the Project has a maximum conditional eligibility determination (MCED) of \$1.363B. All State-paid funds will be paid on a cost reimbursement basis and must be used to cover direct and certain construction expenses. State bond funds are not allowed to pay operations, maintenance, and replacement (OM&R) costs. Looking at the bigger picture, State-paid construction expenses in excess of the Capacity Interest needed to deliver public benefits would serve to reduce construction expense paid by Participants. However, these construction expense reductions would not result in reduced life-cycle costs to Participants because Participants will be responsible to pay the OM&R not paid by the State but expended to deliver the public benefits. Finally, the State can make inflationary adjustments after the final award but is not obligated to make such adjustments. Participants and Reclamation will be responsible for any escalation effects or cost increases associated with the State Capacity Interest. At the end of the contract for administration of public benefits (CAPB) term of 70 years from executing the contract or when all of the contracted public benefits have been delivered, whichever occurs first, the State Capacity will be available to the Sites Authority to reallocate as it determines. Also, if the Capacity Interest is able to generate additional

benefits, those benefits could be used to either shorten the term for delivering public benefits or could be provided for offsetting other commitments or revenue generating purposes.

All Storage 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 includes 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, 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 increase.

E4. What is the Project baseline schedule?

The Project's 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 Section 8.0 of this report. The Project baseline schedule is included in Attachment B.

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

Section 9.0 of this report identifies the Project's primary cost, schedule, and benefit risks 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 Construction Manager at Risk (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.

E6. What is the status of the Conditions Precedent items?

The status of Conditions Precedent items is provided as Attachment G of the Baseline Report and includes links to the documents that are currently available.

Additional linked documents, which provide detailed information about the Project, are listed in Section 10.0 of this Baseline Report. They are available on the Baseline Report webpage (<https://sitesproject.org/project-baseline-report/>) and listed below for convenience:

- Conveyance Capacity Technical Memorandum
- 30% Design Total Project Cost Estimate Technical Memorandum (TM) for Reservoir Package
- 30% Design Total Project Cost Estimate TM for Conveyance Package
- Noncontract Cost TM
- Value Planning TM
- Plan of Finance

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? (Section 2.0)
- How much water will the Sites Project provide? (Section 3.0)
- What facilities comprise the Project? (Section 4.0)
- How and when will Sites Water be diverted into, stored, and released from Sites Reservoir? (Section 5.0)
- How will Storage Allocation and Capacity Interest be managed? (Section 6.0)
- How much will the Project cost and how will it be funded? (Section 7.0)
- What is the Project baseline schedule? (Section 8.0)
- What are the primary risks to the Project and how will they be mitigated? (Section 9.0)
- What is the status of the Conditions Precedent items and related items? (Section 10.0) What are the next steps? (Section 11.0)

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 “Storage Partners” includes, collectively, the U.S. Department of the Interior, Bureau of Reclamation, and the California Department of Fish and Wildlife.

Section 12.0 provides the Baseline Report for reference documents and Section 13.0 provides definitions of capitalized terms.

This Baseline Report describes the current shared understanding of the Project and gives Storage Partners the information they need to make the financial commitment to advance to Phases 3/4/5. It is not intended to introduce new content, decisions, or actions, or lock in the Project direction. The Project will continue to be developed, optimized, and analyzed as Phases 3/4/5 are advanced.

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

2.1 What is the problem the Project helps address?

The Project will help address the following California water supply challenges:

- **A changing climate.** Long-term climate modeling has continued to predict that future hydrologic and climatic conditions will be characterized by increasing variability, making for drier dry years and wetter wet years (see PPIC 2018, for example). Dry spells will last longer, and wet periods will be flashier. The timing and magnitude of runoff will change as less precipitation falls as snow and more as rain. These changes will result in the increased need to store water when it is available (DWR 2023).
- **State water supply goals.** As required in Senate Bill (SB) 72, the California Water Plan 2028 has an interim planning target of 9,000,000 acre-feet (AF) of additional water supply, water

conservation, or water storage capacity. Sites Reservoir, with approximately 1.5 million AF of new storage capacity, could make a significant contribution toward meeting that target.

- **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 3-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 diverted approximately 235,000 AF of water. Additionally, over the past four years, water supply modeling shows that Sites Reservoir could have safely diverted more than 1,800,000 AF – more than enough to completely fill the reservoir from empty. Although these last four years have all been relatively wet, above normal temperatures and intermittent wet and dry periods continue to demonstrate how historical climatic and hydrologic patterns are shifting. If snowpack reductions and hydrologic changes continue as predicted by climate modeling, Sites Reservoir’s ability to capture runoff when it is available becomes even more critical.
- **Reduced deliveries.** The majority of Participants are Central Valley Project (CVP) or State Water Project (SWP) contractors. In recent years, these agencies have received less water under their contracts compared to the long-term average. For example, the California Department of Water Resources’ (DWR) historical Table A allocations for SWP Contractors shows a long-term average allocation of about 60 percent of contract amounts; in dry years this amount is much less (DWR 2026b). A recent congressional report on the CVP 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 service contractors in 4 of the past 12 years (Stern et al. 2026). 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 and 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).

2.2 Why should the Project be part of the solution?

The Project advances the goals of SB 72 and the California Water Plan:

Driven by urgent concerns over California’s long-term water security, SB 72 was passed unanimously by the California Legislature and signed into law by the Governor on October 1, 2025. SB 72 directs DWR to identify 9 million AF of additional water supply by 2040. SB 72 is also driving the modernization of the California Water Plan, which DWR updates every 5 years. The California Water Plan Update 2028 is using a collaborative approach to identifying strategies to achieve a number of the State’s water supply

sustainability goals, including the addition of 9 million AF of water to the water supply by 2040 (DWR 2026a). Sites Reservoir would advance this objective by increasing California's capacity to capture and store high Sacramento River flows during wet periods for use during droughts and other dry conditions.

The Project helps meet California's water supply challenges now, and in the future, because it:

- Is the first large surface 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 generally be available when other sources do not exist or are curtailed, and Sites Water can be moved through the Sacramento-San Joaquin Delta (Delta) during dry years.
- Enhances the effectiveness of adaptation strategies that Participants 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 diverse coalition of Storage Partners, bringing diverse experience and solid financial backing as well as creating an easily accessible 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 Storage 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.



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

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

- The amount of space each Storage Partner gets is determined by the proportional share of its participation in the Project.
- Storage space can be leased or sold.
- Storage Partners receive a proportional amount of the water diverted from the Sacramento River.
- Storage Partners choose when and how to use 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.
- Each Storage Partner receives its proportional share of the water and the facilities needed to move water into and out of the reservoir, and no Storage Partner takes priority over another.

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 (CY) of embankment per AF of storage. Table 2-1 shows the Project requires only 11 CY of embankment material per 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 to 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

Key: AF = acre-feet; CY = cubic yards; CY/AF = cubic yards per acre-foot

Equally important, because Sites Reservoir is an off-stream reservoir located in a predominantly rural setting, the Project has substantially fewer 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 Storage Partners?

The 24 current Storage Partners are as follows. Table 1 in the Plan of Finance provides the percent of capacity participation for each of the 24 Storage Partners. The Plan of Finance is available via link on the Baseline Report webpage:

- Antelope Valley-East Kern Water Agency (WA)
- Bureau of Reclamation
- City of American Canyon
- Coachella Valley Water District (WD)
- Colusa County
- Colusa County WD
- Cortina WD
- Davis WD
- Desert WA
- Dunnigan WD
- Glenn-Colusa Irrigation District (GCID)
- Irvine Ranch WD
- LaGrande WD
- Metropolitan Water District of Southern Cal
- Reclamation District 108 (RD108)
- Rosedale-Rio Bravo Water Storage District (WSD)
- San Bernardino Valley Municipal WD
- San Geronio Pass WA
- Santa Clara Valley WD
- Santa Clarita Valley WA
- State of California
- Westside WD
- Wheeler Ridge – Maricopa WSD
- Zone 7 WA

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 WD
- Eastern Municipal WD
- Glenn County
- La Cumbre Mutual Water Company
- Madera County Groundwater Sustainability Agency (GSA)
- Pacific Resources Mutual Water Company
- Palmdale WD
- Santa Clara Valley WD
- Wheeler Ridge Maricopa WSD
- Western Municipal WD
- Westlands WD
- 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 agricultural, 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, drought emergency response, and flood control benefits. It is anticipated that DWR will administer the benefit agreements for flood control, recreation, and drought 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?

Project governance is defined by a “three-legged stool” comprising (1) purpose and local control, (2) delegation and shared decision-making, and (3) Storage Partner benefits and obligations. These project documents are available via links in Section 10.0. The Project's key governance documents are:

- **Joint Powers Authority (JPA) Agreement.** This agreement among public entities located and operating in the Sacramento Valley established the Sites Authority in 2010. Subsequent amendments have further defined the Sites Authority's governance role, reserved powers of the Sites Authority, and certain obligations to facility partners.
- **Final Design, Construction, and Operations Phases (Phases 3/4/5) Bylaws.** The bylaws assign delegated authority from the Sites Authority to the Reservoir Management Board, define areas where shared decision-making is required and processes for dispute resolution; assign roles and responsibilities for the Authority Board and Reservoir Management Board; define membership types; and support cost management.
- **Benefits and Obligations (B&O) Contract.** The B&O Contract defines the rights and obligations of the Participants, Sites Authority, and DWR as the acquirer of Sites Water on behalf of SWP Participants.

Together, these documents form the contractual basis for decision-making and governance on the Project.

All members of the Authority Board are agencies located in the Sacramento Valley and currently include:

- Colusa County
- Colusa County WD
- Glenn County (associate member)
- GCID
- Placer County WA/City of Roseville
- RD108
- Sacramento/Sacramento County WA

- Tehama-Colusa Canal Authority (TCCA)
- Westside WD

The State of California and the Bureau of Reclamation are non-voting members of the Authority Board. All Participants have the option to be a non-voting member of the Authority Board. The Reservoir Management Board currently comprises representatives from the 22 local investor agencies. As such, the Reservoir Management Board is diverse and includes small agricultural districts (primarily in the Sacramento Valley) as well as large urban water wholesalers (located mainly south of the Delta). The Reservoir Management Board's role is to manage design and construction of the Project, manage commitments in federal and State agreements, and develop operations plans. It makes all decisions unless such decision is a reserved power of the Authority Board or a special voting situation. The Reservoir Management Board's decision-making capacity is described in the Bylaws, which cannot be amended without approval of the Reservoir Management Board.

The 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 tied closely 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, it may continue directing expenditures and proceed with construction in accordance with the conditions precedent to construction described in the B&O Contract. Conversely, if it determines 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, 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 Sites Project provide?

3.1 How much water will the Sites Project deliver?

Sites Reservoir will capture water from the Sacramento River when it is plentiful and deliver it to Storage Partner agencies when requested. Table 3-1 shows the modelled long-term average annual deliveries to Storage Partners and average deliveries by year type.

The values in Table 3-1 were developed using the CalSim 3 model. CalSim 3 is California's primary computer modeling tool for evaluating how the SWP and CVP may operate under different water supply, regulatory, infrastructure, and management conditions. Developed by DWR and Reclamation, the model simulates California's complex interconnected water system—including reservoirs, rivers, canals, water deliveries, and environmental requirements—over a range of hydrologic conditions. CalSim 3 is not intended to predict exactly what will happen in a particular year; rather, it allows decision-makers to compare alternative policies or projects on a consistent basis and understand how they may affect

water supplies, reservoir storage, river flows, Delta conditions, and other system operations across wet, dry, and critically dry conditions. In this way, CalSim 3 serves as an important planning tool for understanding tradeoffs and evaluating the potential long-term effects of major water management decisions. The assumptions used in the Sites Project CalSim 3 modeling effort are provided in Attachment H.

Based on feedback from Participants, the Sites Authority developed two modeling scenarios, Dry Year Prioritization and Top Speed. The Dry Year Prioritization scenario prioritizes releases from Sites Reservoir to occur in the drier water year types. The Top Speed scenario seeks to maximize releases from Sites Reservoir each year, subject to available water supplies, capacity constraints, demands, and other limitations. Each scenario was implemented in the CalSim 3 model to understand the range of possible deliveries under the different operating conditions. Recall that each Storage Partner has the discretion to manage its own account, so actual deliveries will be controlled by Storage Partner decisions, but they will likely fall within the range of outcomes presented in Table 3-1.

Table 3-1. Long-term average annual deliveries to Storage Partners by water year type

Recipient or Purpose		Long-term average annual, all year types (AF)	Long-term average annual deliveries (AF) by year type				
			Critical	Dry	Below Normal	Above Normal	Wet
Dry Year Prioritization							
Sites Authority PWA Deliveries & Transfers		109,438	119,227	205,652	129,969	52,277	42,022
	NOD Direct Deliveries*	7,483	7,373	4,919	4,774	8,891	10,417
	Total NOD Transfers	23,239	5,542	22,531	31,326	28,471	29,354
	Transfer to NOD Demand	12,050	0	0	0	28,471	29,354
	Transfer to SOD Demand	11,189	5,542	22,531	31,326	0	0
	North Bay Aqueduct	2,980	3,814	6,436	4,825	0	0
	SOD	75,735	102,497	171,766	89,045	14,915	2,250
CVP Operational Flexibility		27,924	58,986	90,520	-12,554	-8,412	-3,615
Wildlife Refuge Water Supply		33,848	19,564	46,381	41,380	49,926	23,381
	NOD	7,528	5,916	11,215	9,673	18,719	29
	SOD	26,319	13,648	35,166	31,707	31,207	23,352
Total Dry Year Prioritization Deliveries		147,970	192,234	320,021	127,469	65,320	32,433
Total Dry Year Prioritization Deliveries & Transfers		171,209	197,777	342,552	158,795	93,791	61,787
Top Speed							
Sites Authority PWA Deliveries & Transfers		127,848	79,121	176,119	116,346	142,938	124,936
	NOD Direct Deliveries*	5,514	2,089	2,179	5,092	8,071	9,582
	Total NOD Transfers	32,355	678	6,756	10,351	54,847	76,453
	Transfer to NOD Demand	29,043	0	0	0	54,847	76,453
	Transfer to SOD Demand	3,311	678	6,756	10,351	0	0
	North Bay Aqueduct	5,326	2,442	5,123	4,420	6,769	7,373
	SOD	84,653	73,911	162,060	96,484	73,252	31,528
CVP Operational Flexibility		30,620	54,978	95,593	631	-1,316	-5,709
Wildlife Refuge Water Supply		33,275	18,871	44,302	42,946	48,489	23,212

NOD	7,535	5,914	10,902	10,849	17,833	7
SOD	25,740	12,957	33,400	32,097	30,656	23,204
Total Top Speed Deliveries	159,388	152,292	309,258	149,573	135,265	65,985
Total Top Speed Deliveries & Transfers	191,743	152,970	316,014	159,924	190,112	142,438

Key: AF = acre-feet; CVP = Central Valley Project; NOD = North of Delta; PWA = Public Water Agency; SOD = South of Delta

*NOD Direct Deliveries excludes deliveries to the City of American Canyon

The CalSim 3 modeling effort includes carriage water losses through the Delta for delivery to south-of-Delta Storage Partners. The model also includes current SWP and CVP operations and regulatory requirements and considers Delta conditions, climate change, and similar opportunities and challenges that may occur in Sites Project operations and delivery of Sites Water. The modeled deliveries include all of these opportunities and challenges, including constraints and limitations of moving water through the Delta.

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

“Zooming out” and looking at California’s water system holistically, the Project will enhance statewide water management flexibility by adding a new source of long-term storage and creating additional options for managing water across California’s highly integrated and interdependent water system. In particular, the Project:

- Adds long-term storage to California’s integrated water system.** Sites Reservoir will provide substantial new storage capacity that can capture water when it is available during wetter conditions and retain that water for use in subsequent months or years. This provides an additional tool for managing the increasing variability between wet and dry conditions and allows water to be carried over for use when it has greater water supply, environmental, or drought-response value. This new storage also directly supports California’s broader water supply and climate resilience goals, including the direction established by SB 72 to plan for approximately 9 million AF of additional water supply by 2040 through a portfolio that includes new and expanded surface and groundwater storage, water recycling, stormwater capture, desalination, conservation, and other strategies. With up to approximately 1.5 million AF of storage capacity, the Project represents a major investment toward building the physical infrastructure needed to help California capture and manage water during increasingly variable hydrologic conditions.
- Creates opportunities to coordinate operations with other Central Valley reservoirs.** Because Sites Reservoir is an off-stream reservoir, the timing of storage and releases can be coordinated with other reservoirs and water management facilities throughout the Central Valley. This creates opportunities to manage the overall system more efficiently—for example, by allowing water to remain stored in other reservoirs when Sites Water can meet a particular need or by coordinating releases and storage decisions to respond to changing hydrologic, environmental, and water supply conditions. In this way, the Project adds another operational tool rather than functioning as an isolated reservoir.
- Provides opportunities for in-lieu surface water use that can benefit groundwater conditions.** Sites Water can provide an additional surface water supply during periods when water users might otherwise rely more heavily on groundwater. Where Sites Water is used in lieu of

groundwater pumping, it can help reduce demands on groundwater basins and support groundwater management objectives. This creates an important connection between new surface storage and California's broader efforts to improve the long-term sustainability and resilience of its groundwater resources. Sites Reservoir also has the ability to capture water when it is available during wetter conditions and retain that water for future groundwater recharge.

- **Provides operational flexibility to respond to changing conditions.** Sites Reservoir is designed to operate flexibly rather than according to a single, fixed pattern of storage and releases. Operations can adjust the timing of diversions, storage, and releases in response to water availability, hydrologic conditions, environmental needs, and changing demands. That flexibility is particularly valuable as climate change increases the variability of California's water supplies, including more intense wet periods, longer dry periods, and greater uncertainty regarding the timing and form of precipitation.

Taken together, these attributes mean that the statewide value of Sites Reservoir extends beyond the volume of water stored in the reservoir or delivered directly to Storage Partners. The Project adds another tool to California's water management toolbox—one that increases the ability of the broader system to move, store, exchange, and strategically use water across different locations and times. That additional flexibility can help California make better use of water when it is available and improve the resilience of the statewide water system during droughts, extreme weather, and increasingly variable climate conditions.

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 water temperature management in the upper Sacramento River. Water temperature improvements would be accomplished by exchanging water dedicated to Reclamation's storage in Sites Reservoir for water conserved in Shasta Lake, thereby enhancing cold-water pool management for the benefit of anadromous fish. This ecosystem benefit is a federal benefit paid for by Reclamation.

3.3.2 Water Storage Investment Program benefits

The Project is receiving funding under the State's WSIP to provide ecosystem (wetland habitat enhancement) benefits, recreational opportunities, drought emergency water supplies, and flood risk reduction benefits. Each of these is discussed below.

Wetland habitat enhancement

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 to federal wildlife refuges, state wildlife areas, and private lands that are identified in and receive water under the CVPIA or through delivery of water to enhance other seasonal wetlands, permanent wetlands, and riparian habitat under specific, measurable criteria. The State of California, through CDFW, is a Storage Partner in the Project, and the ecosystem account has been sized to provide the benefits the

Sites Authority is contracting for in the Contact for Administration of Public Benefits with CDFW. The Sites Authority will actively manage the ecosystem account to achieve the benefits.

Recreational opportunities

The Project will include two primary recreation areas and a day-use boat ramp, attracting recreational visitors yearly and providing a new recreational resource for the people of California. Planned recreation facilities and public access will provide opportunities for boating, fishing, camping, hiking, wildlife viewing, and other outdoor activities. These opportunities will provide a new regional amenity for residents and visitors while supporting tourism and recreation-related businesses in nearby communities. 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.

Drought Emergency water supplies

The Project will provide supplemental water supplies for municipal and industrial (M&I) water agencies experiencing drought emergency conditions. This provides California with an additional tool for responding to extreme events when traditional water supplies may be constrained. 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. This provides public benefits to the State in addressing critical drought emergencies and water supplies for essential human health and safety needs, as well as providing benefits to the Participant experiencing drought conditions by having access to additional water supplies. The Sites Authority is working with DWR to recognize the benefit when a Participant has moved its Sites Water to a groundwater recharge facility south of Delta (SOD) prior to the emergency shortage situation occurring.

Flood risk reduction

The Project provides flood damage reduction benefits to the community of Maxwell in Colusa County 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?

In addition to its water supply and statewide water management benefits, Sites Reservoir will provide substantial regional economic, infrastructure, environmental, recreational, and other public benefits.

- **Regional economic benefits.** Construction of the Project will generate significant economic activity during the approximately 8-year construction period. The annual construction workforce is expected to vary as different Project components are built, supporting approximately 160 jobs, on average, over the construction period. Construction spending will also generate indirect and induced economic activity through purchases of goods and services, spending by workers, and increased demand for businesses serving the Project and its workforce. Longer-term economic benefits will continue after construction through employment associated with Project

operations and maintenance (O&M), recreation, and related goods and services. These are important benefits that work to diversify the jobs base in the Project area.

- **Local and regional infrastructure improvements.** The Project will result in substantial investments in transportation and other infrastructure in and around the communities near the reservoir. Anticipated improvements in Maxwell include lighted pedestrian crossings, stop signs, and other traffic-calming features. The Project will also construct and improve local access roads and provide a new bridge across the reservoir, creating permanent transportation infrastructure that is an important connection for the rural communities to the west of the reservoir. These investments will improve access, safety, and connectivity and help support the additional economic and recreational activity associated with the Project.
- **Environmental and ecosystem benefits.** The Project also includes substantial investments in habitat conservation, restoration, and long-term land management associated with its environmental commitments. These investments will provide opportunities to protect and enhance habitat at a landscape scale while contributing to the long-term recovery and resilience of native species.
- **Groundwater benefits.** Sites Reservoir can complement California's efforts to achieve sustainable groundwater management. Where Project water is used in lieu of groundwater pumping, the availability of additional surface water can reduce pressure on groundwater basins and help preserve groundwater storage. This is particularly valuable during and following droughts when groundwater basins may need time to recover from increased pumping.
- **Increased agricultural output and economic stability.** More reliable access to surface water can help sustain agricultural production and the communities and businesses that depend on agriculture. Future agricultural output attributable to the Project is expected to provide several million dollars in additional economic activity annually. Beyond the value of increased production, improved water reliability can help reduce the economic disruption associated with severe water shortages and provide greater stability for agricultural operations and rural communities.
- **Incidental renewable power generation.** Project operations will generate hydroelectric power when water is released from Sites Reservoir through the Funks and Terminal Regulating Reservoir (TRR) pumping-generating plants (PGP). Importantly, much of this generation is expected to occur during periods when water is being released from storage, which can coincide with warmer months when California's electricity demand is relatively high. Power generated by Project operations can be sold into the electricity market, providing an additional beneficial use of water as it moves through the Project's facilities.

Taken together, these benefits demonstrate that Sites Reservoir is more than a water storage facility. It is a multi-benefit investment in California's long-term resilience, providing a variety of local, regional, and statewide benefits while supporting the communities and industries that depend on a reliable and adaptable water system.

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.

The Project Base Facilities and Downstream Facilities are listed in Table 4-1. The Project design, costs, schedule, and risk assumptions in the Baseline Report are all based on this current Project direction.

The path for Project releases to the Sacramento River will be confirmed in the next Phase of the Project. Releases in the baseline Project are currently via the Lower Colusa Basin Drain (CBD). The comparison of extending the Dunnigan Pipeline to the River and use of the Lower CBD will be performed with additional flow and stage monitoring and modeling analysis in the next phase of the Project. The latest analysis and comparison between these two alternatives is included in the Conveyance Capacity Technical Memorandum (TM) that is available via link in Section 10.0.

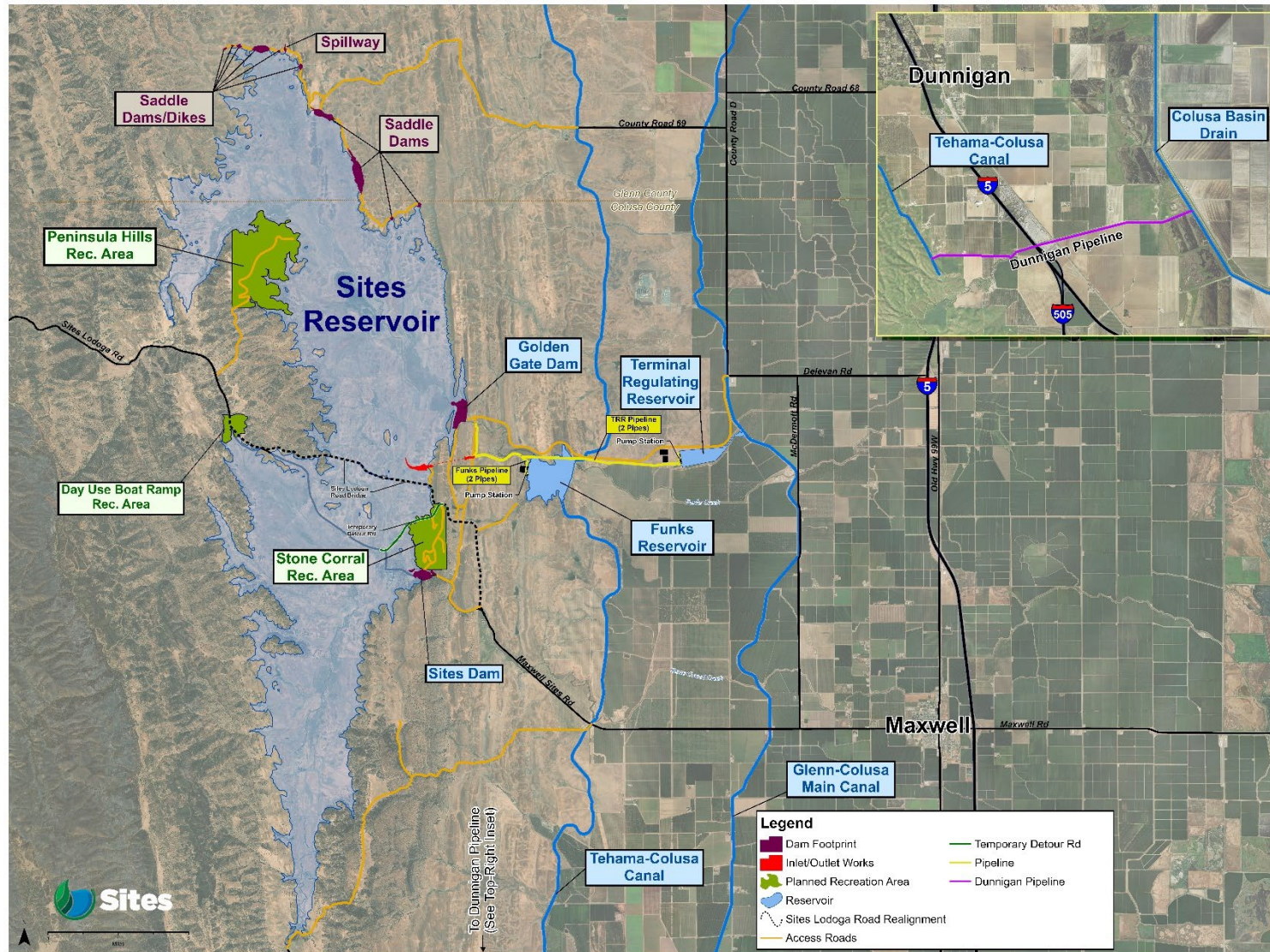


Figure 4-1. Location and main features of the Sites Reservoir Project

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 • TRR • TRR Pumping Generating Plant • Funks Pumping Generating Plant • Power transmission lines • Electrical substations • Sites Lodoga Bridge • Other support facilities: ○ Pipelines (TRR, Funks Reservoir) ○ Spillway ○ I/O 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 GCID Main Canal from the Hamilton City Pump Station to the TRR • Hamilton City Pump Station
Downstream Facilities	• Dunnigan Pipeline and associated facilities	• Portion of Tehama-Colusa Canal from Funks Reservoir to the terminus of the Tehama-Colusa Canal	• CBD south of Balsdon Weir • Knights Landing Outfall Gates

Key:

CBD = Colusa Basin Drain; GCID = Glenn Colusa Irrigation District; I/O = Inlet/Outlet; O&M = Operations and Maintenance; TRR = Terminal Regulating Reservoir

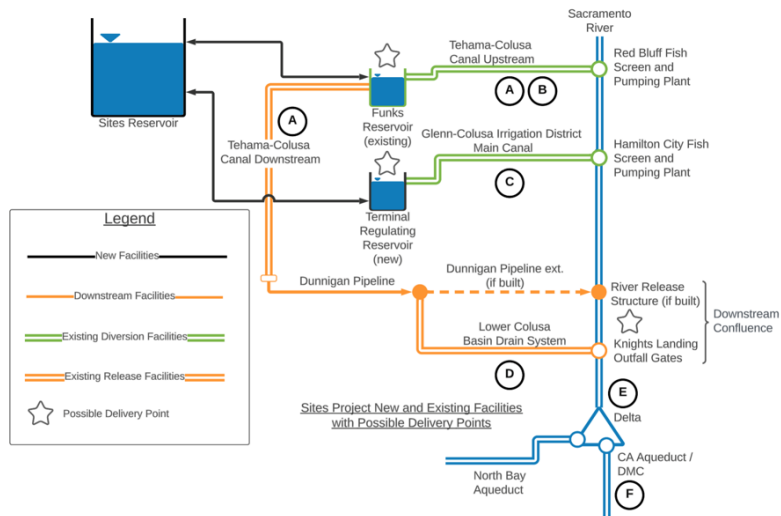
4.2 What value do Participants receive from the Project's use of existing infrastructure?

In 2019, the Project undertook a “value planning” process to identify and evaluate alternatives that could make the Project more affordable. 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 Project as envisioned in 2017 at \$5.2 billion versus the value planning recommended Project estimated at \$3.0 billion, in constant 2018 dollars. The value planning analysis showed use of existing infrastructure resulted in capital cost savings of approximately \$1 billion in constant 2018 dollars, reduced permit approval requirements, improved overall project permissibility, and reduced schedule risks.

4.3 What are the costs of using existing infrastructure and are these costs reasonable?

Compensation for use of the federal and partner facilities in Table 4-1 will occur in the form of wheeling rates. These wheeling rates are intended to cover the Project's portion of operations and maintenance, capital and replacement costs for these facilities. The rates are based on established or negotiated rate methodologies and are intended to reflect the Project's proportional use of the applicable facilities. Based on the information available, the rates included in the Program Baseline are considered reasonable for planning and financial-analysis purposes. The rates will be refined, as appropriate, as the applicable agreements are finalized and supporting cost components are confirmed. The assumed rates shown in Figure 4-2 are included in the analysis of Project variable costs in the Plan of Finance.

Participant Deliveries



Draft - Predecisional
Working Document - For
Discussion Purposes Only

LABEL	AGREEMENT	PLAN OF FINANCE (tentative amts in 2026\$, excludes power cost)
A	TCCA, FUA	\$15/AF fill, \$10/AF releases
B	Recl, Excess Capacity	\$4/AF, covers fills and releases
C	GCID, FUA	\$24/AF fill (includes power costs)
D	Various, incl. RD108 Ops	\$33/AF releases (includes losses, lost opportunity costs, and RD108 charges)
E	DWR/Reclamation Ops Agmt	20%-30% Carriage Water Loss (in Ops model)
F	Reclamation, Excess Capacity DWR, Conveyance SLD, DVA, Non-Federal OE	\$3/AF (depends on POD) \$23/AF (depends on POD) \$28/AF (depends on POD)

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Figure 4-2. Wheeling rates used in the Plan of Finance

4.4 Is there available capacity for the Project in the existing infrastructure proposed for use?

There is available capacity for the Project in the existing infrastructure proposed for use. Optimizing the Project's use of existing infrastructure will take proactive coordination and a few system improvements. These system improvements are included in the 30% Project cost estimate TMs that are available via link in Section 10.0 of the Baseline Report. The detailed analysis of the GCID, TCCA, and Lower CBD system capacities is provided in the Conveyance Capacity TM that is available via link in Attachment G and Section 10.0 of the Baseline Report. Additionally, Attachment D provides a capacity summary that includes existing infrastructure capacity.

4.5 What is the status of design?

The project design is currently at a 30% design level. This design level has been confirmed by the design engineers from Jacobs and AECOM for all major facilities. The publicly available 30% design documents are available here: <https://sitesproject.org/30-design-drawings/>.

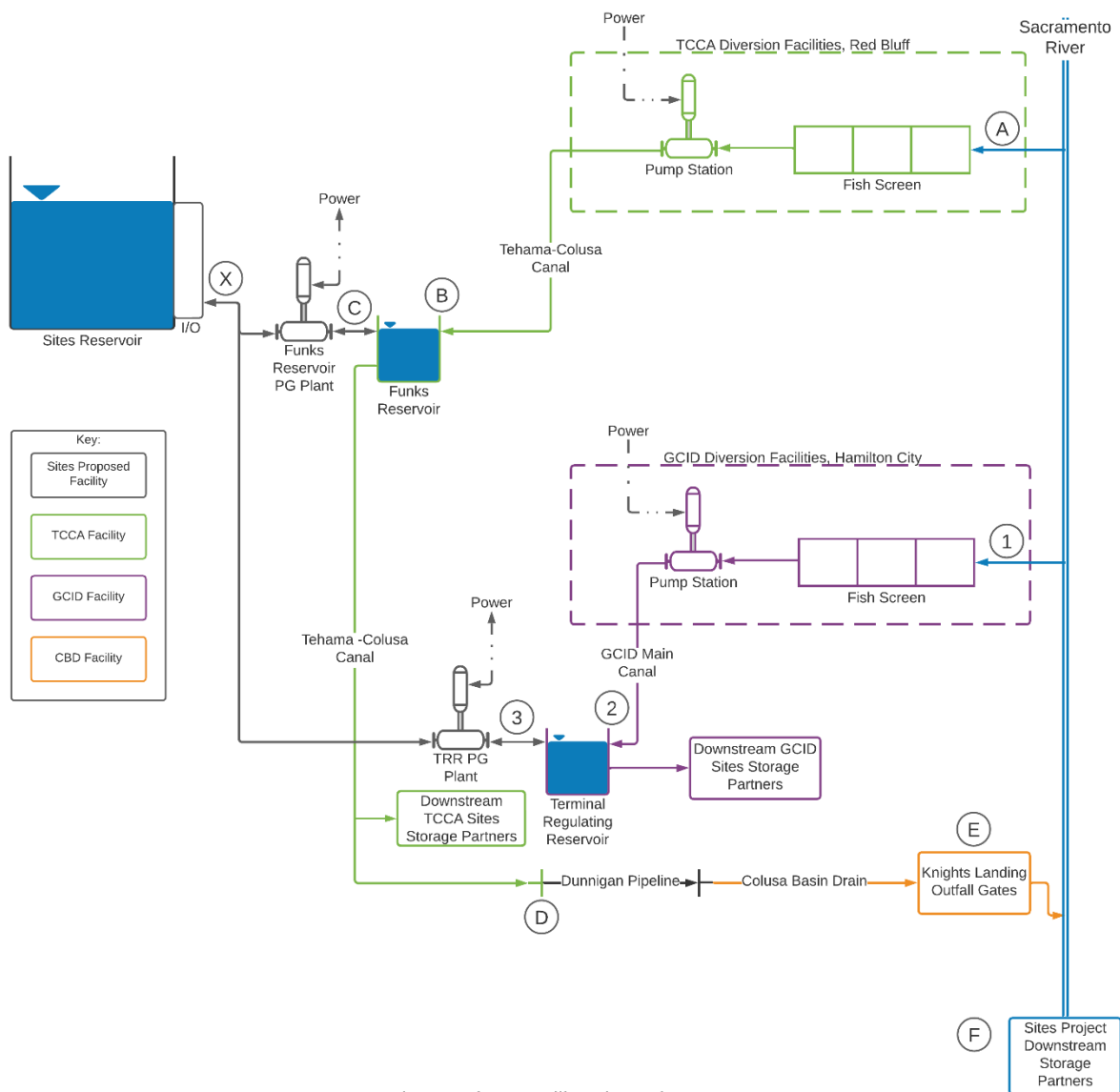
4.6 What is the status of real estate for the Project?

Attachment E provides a summary of the status of land acquisitions and priorities for the Project. The Sites Authority is proactively pursuing and prioritizing land acquisitions for completion in Phase 3/4/5 of the Project. The Authority is nearing completion of the Early Acquisition Plan that focused on acquiring land associated with the Project's key infrastructure sites, and have to date acquired four properties covering over 2000 acres of land under this program. The Authority is currently implementing the AB/RC approved Contingency Land Acquisition Program that focuses on acquiring an additional 10 key properties located inside the reservoir footprint, including parcels located in the town of Sites that are necessary to advance early construction activities. The Authority will implement a full programmatic land acquisition program for the Project at the start of Phase 3.

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 (pathway A, B, C, and into Sites Reservoir on Figure 5-1) and/or (2) Hamilton City Pump Station and fish screen, GCID Main Canal, and TRR (pathway 1, 2, 3, and into Sites Reservoir on Figure 5-1). Releases from Sites Reservoir will occur primarily via (1) Funks Reservoir, the Tehama-Colusa Canal, Dunnigan Pipeline, CBD, and Knights Landing Outfall Gates where flows re-enter the Sacramento River for conveyance to Participants downstream of the Knights Landing Outfall Gates (pathway C, B, D, E, and F on Figure 5-1) and secondarily via (2) the TRR and GCID Main Canal to GCID Sites Storage Partners (pathway 3 and 2 on Figure 5-1).



Sites Project Facility Flow Diagram

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 during the winter and early spring, when Sacramento River flows are typically higher and sufficient water is available to satisfy the Project's diversion criteria. Although the Project's authorized diversion season extends from November 1 through June 14, the Project is designed to operate opportunistically—diverting water when hydrologic and regulatory conditions allow rather than relying on a continuous diversion throughout that period. Diversions may occur only when the Delta is in an Excess or certain Excess with Restrictions condition, Term 91 is not in effect, senior water rights—including CVP and SWP supplies—

are protected, and applicable Delta water quality and flow requirements are being met. The Project will also coordinate in real time with DWR and Reclamation so that Sites diversions do not adversely affect CVP or SWP operations or water rights. A summary of the Project’s diversion criteria for diversions from the Sacramento River is provided in Table 5-1.

Importantly, the Project also includes flow-dependent diversion criteria that limit both when diversions can begin and how much water can be diverted as Sacramento River flows increase. For example, diversions at the Red Bluff Pumping Plant generally cannot begin until Sacramento River flows at Bend Bridge exceed approximately 6,300 cubic feet per second (cfs), while diversions at Hamilton City cannot begin until Sacramento River flows exceed 10,500 cfs after accounting for other diversions. Diversion rates then progressively increase as river flows increase, rather than immediately operating at full capacity. The Project must also abstain from diversions during qualified precipitation-generated pulse flows for the Sacramento River at Bend Bridge, maintain minimum bypass flows at key locations—including 10,930 cfs or 14,125 cfs, depending on time of year, for the Sacramento River at Wilkins Slough—and may divert only when the existing fish screens at the Red Bluff and Hamilton City facilities are installed, maintained, and fully operational.

Taken together, these criteria are intended to focus Sites diversions on periods when water is available in the Sacramento River above the amounts needed to satisfy senior water rights, existing water supply obligations, environmental and water quality requirements, and other applicable protections. The specific requirements governing Sacramento River diversions—including seasonal limitations, Delta conditions, senior water-right protections, flow-dependent diversion rates, bypass flows and conditions, fish-screen requirements, and coordination with CVP and SWP operations—are described in detail in the Sites Reservoir Operations Plan (Operations Plan). Forecasting will be used to predict when Project diversions to storage are expected.

The link to the Operations Plan is provided in Attachment G of the Baseline Report.

Table 5-1. Summary of Project’s Sacramento River diversion criteria

Criteria	Description
System-wide Criteria and Regulations	
Diversion Season	Limited to November 1 to June 14
Delta Conditions	No diversion is authorized at any time from the Sacramento River when DWR and Reclamation have declared the Delta to be in certain Excess with Restrictions Conditions.
Close Coordination	DWR, Reclamation, and the Authority have agreed to closely coordinate to avoid adverse effects on SWP and CVP operations and water rights.
Senior Water Rights	Existing water rights with a priority date prior to May 11, 2022, are senior.
Term 91	Diversions only allowed when Term 91 is not in effect.
Temporary Urgency Change Order for Delta Water Quality Objectives	No diversions when certain Bay-Delta Water Quality Control Plan requirements are modified by a Temporary Urgency Change Petition/Order and the CVP or SWP are operating to the modified conditions.
Temporary Restrictions	Comply with any temporary restrictions on diversions put into place by SWRCB, such as water right curtailments.

Criteria	Description
2026 Bay-Delta Plan (Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta)	No diversion is authorized when certain numeric objectives of the 2026 Bay-Delta Plan and any future amendments thereto, are not being met. No diversion is authorized until the State Water Board implements the regulatory actions to effectuate the 2026 Bay-Delta Plan that are applicable to the Sites Project.
Sacramento River Mainstem Healthy Rivers and Landscapes (HRL) Restrictions	No diversions on any day in which flows provided pursuant to the Sacramento River Mainstem HRL are contributing to Delta outflow, according to the accounting provisions in the 2026 Bay-Delta Plan.
Project-Specific Sacramento River Diversion Criteria	
Flow Dependent Diversions	Red Bluff Pumping Plant: No diversion until flows in the Sacramento River at Bend Bridge exceeds 6,300 cfs. Diversions ramp up as flows increase in the Sacramento River until full diversion amount is reached at flows of 17,500 cfs or higher in the Sacramento River at Bend Bridge. Hamilton City Pump Station: No diversion until flows in the Sacramento River at Hamilton City exceed 10,500 cfs after any Project and non-Project diversions at HCPS. Diversions ramp up as flows increase in the Sacramento River until full diversion amount is reached at flows of 24,500 cfs or higher in the Sacramento River at Hamilton City after any Project and non-Project diversions at HCPS.
Bend Bridge Pulse Protection	Pulses are to be protected based on specific criteria from March 1 – May 31.
Wilkins Slough Bypass Criteria	Diversions may not cause flow in the Sacramento River at Wilkins Slough to decline below 10,930 cfs from November 1 to November 30 and from March 1 to June 14. Diversions may not cause flow in the Sacramento River at Wilkins Slough to decline below 14,125 cfs from December 1 to February 28.
Operable Fish Screens	Diversions may only occur when the fish screen panels at the RBPP and HCPS are installed, maintained, and fully operational
Water Quality Portfolio	Development of the Water Quality Portfolio must occur prior to initiating diversions. Water Quality Portfolio must be implemented for diversions to continue.
Groundwater Monitoring Program	Preparation and approval of a groundwater monitoring program must occur prior to commencing diversions.

5.3 How much water will be diverted into the reservoir?

The Sites Authority has completed extensive modeling of the Project diversions using the CalSim 3 model. See Section 3.1 for a description of the CalSim 3 model and Attachment H for information on the model assumptions used.

Based on feedback from Participants, the Sites Authority developed two modeling scenarios: Dry Year Prioritization and Top Speed. The Dry Year Prioritization scenario prioritizes releases from Sites Reservoir during drier water year types, whereas the Top Speed scenario seeks to maximize releases

from Sites Reservoir each year, subject to available water supplies, capacity constraints, demands, and other limitations. These scenarios, which are described in detail in Section 5.8.1 below, were implemented in the CalSim 3 model to understand the range of possible diversions, releases, and deliveries under the different operating conditions. Recall that each Storage Partner has the discretion to manage its own account, so actual diversions will be controlled by Storage Partner decisions but will likely fall within the range of outcomes presented in Table 5-2 (in Section 5.8, below). Figure 5-2 shows the long-term average monthly diversions from the Sacramento River under both scenarios. Figure 5-3 shows the long-term annual average diversions by water year type under both scenarios.

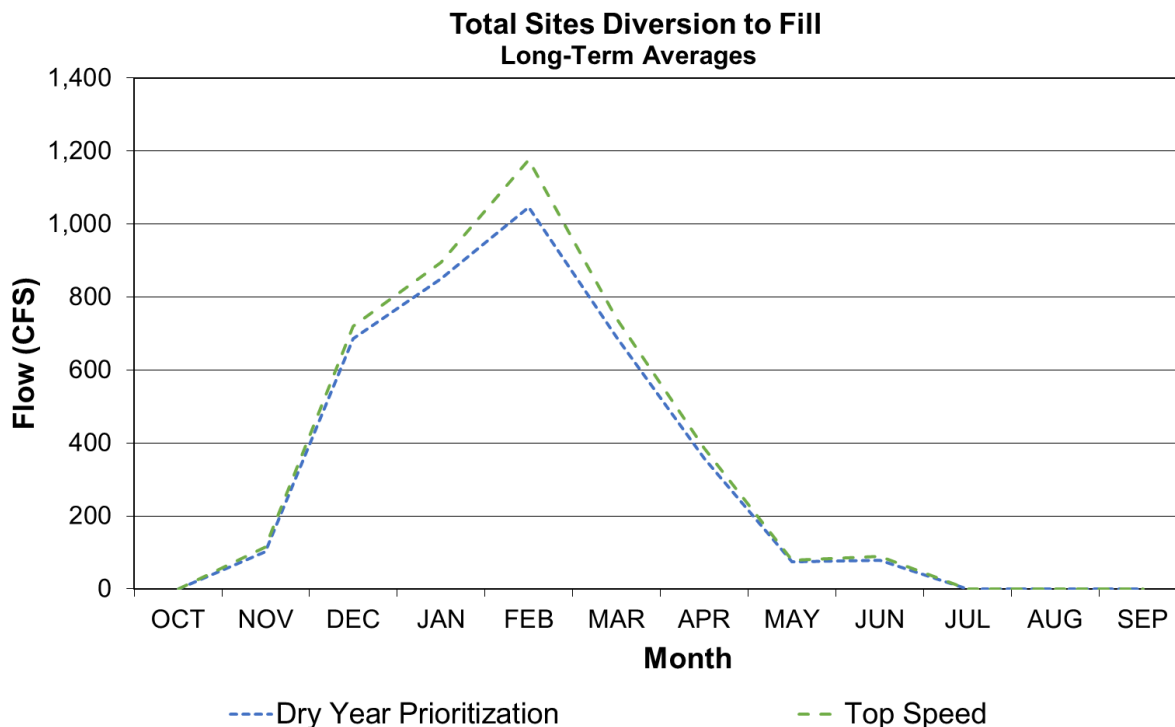


Figure 5-2. Long-term average monthly diversions from the Sacramento River to Sites Reservoir

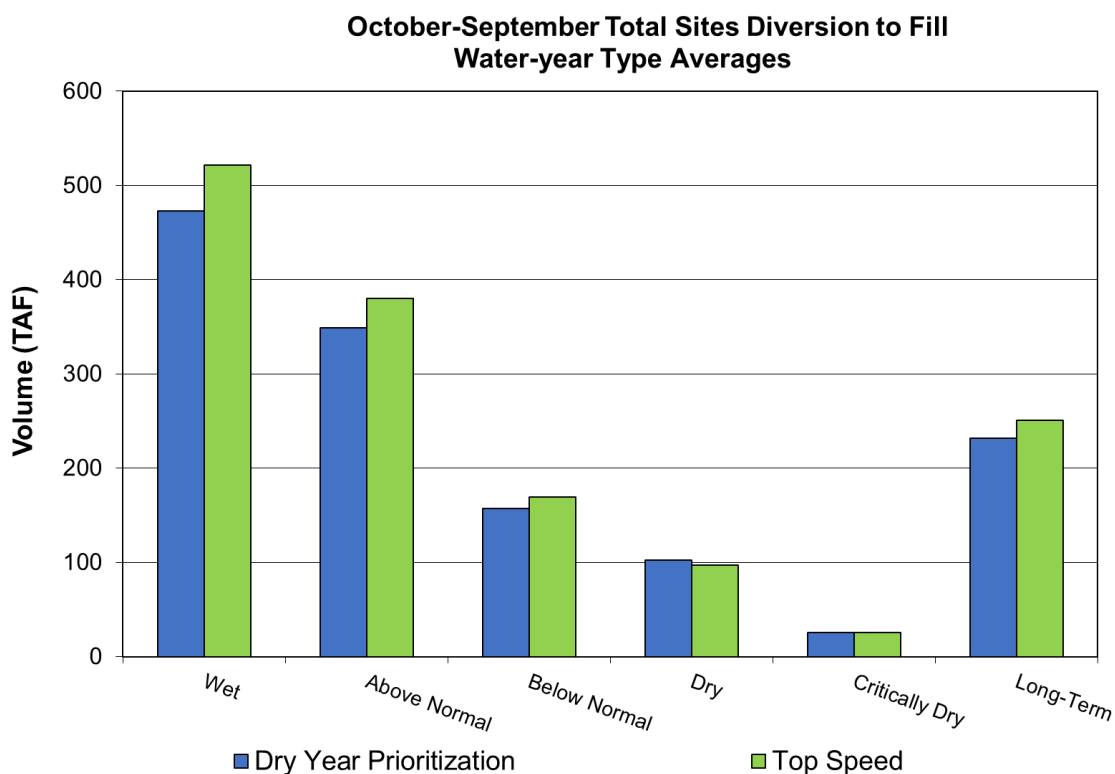


Figure 5-3. Long-term average diversions from the Sacramento River to Sites Reservoir by water year type

5.4 How much water will Sites Reservoir hold?

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

5.5 How does Sites 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 wildlife refuge water supply benefits under WSIP for those refuges receiving water via the GCID canal system would also be made to the TRR and exchanged with GCID.
- **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, because 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 CBD. 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 continue down the CBD for release through the Knights Landing Outfall Gates back into the Sacramento River. Although less common, releases for Storage Partners downstream of Knights Landing could also use a real-time exchange with GCID and/or Reclamation. The exchanged water would remain in the Sacramento River at Hamilton City and flow downstream for diversion by the Storage Partner.
- **Releases for SOD Storage Partners and for those who will receive water via the North Bay Aqueduct:** Releases for Storage Partners who are located SOD, including water for wildlife refuge water supply benefits under WSIP for those SOD areas, would be made to Funks Reservoir, conveyed down the Tehama-Colusa 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, or Contra Costa Water District's pumping plants¹) and conveyed to the respective Storage Partner using existing conveyance facilities and mechanisms. Releases for Storage Partners who are located SOD, including water for wildlife refuge water benefits under WSIP, may also be made through exchanges with Reclamation and DWR.
- **Releases for wildlife areas along the Feather River:** These releases would follow the same pathway as those for SOD Storage Partners and refuges above, but would be exchanged with DWR for water in the Feather River system. This would allow entities in the Feather River system to divert this exchanged water and deliver it to the applicable wildlife area.

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 5-4 shows a schematic of the Project with the various delivery points identified in the B&O Contract with Participants and the associated agreements to convey water.

¹ The CalSim 3 modeling completed for the Project assumes all Sites Water is exported at the Banks Pumping Plant. However, the Sites Water Right is anticipated to have a number of points of diversion that may be used by Storage Partners in the future.

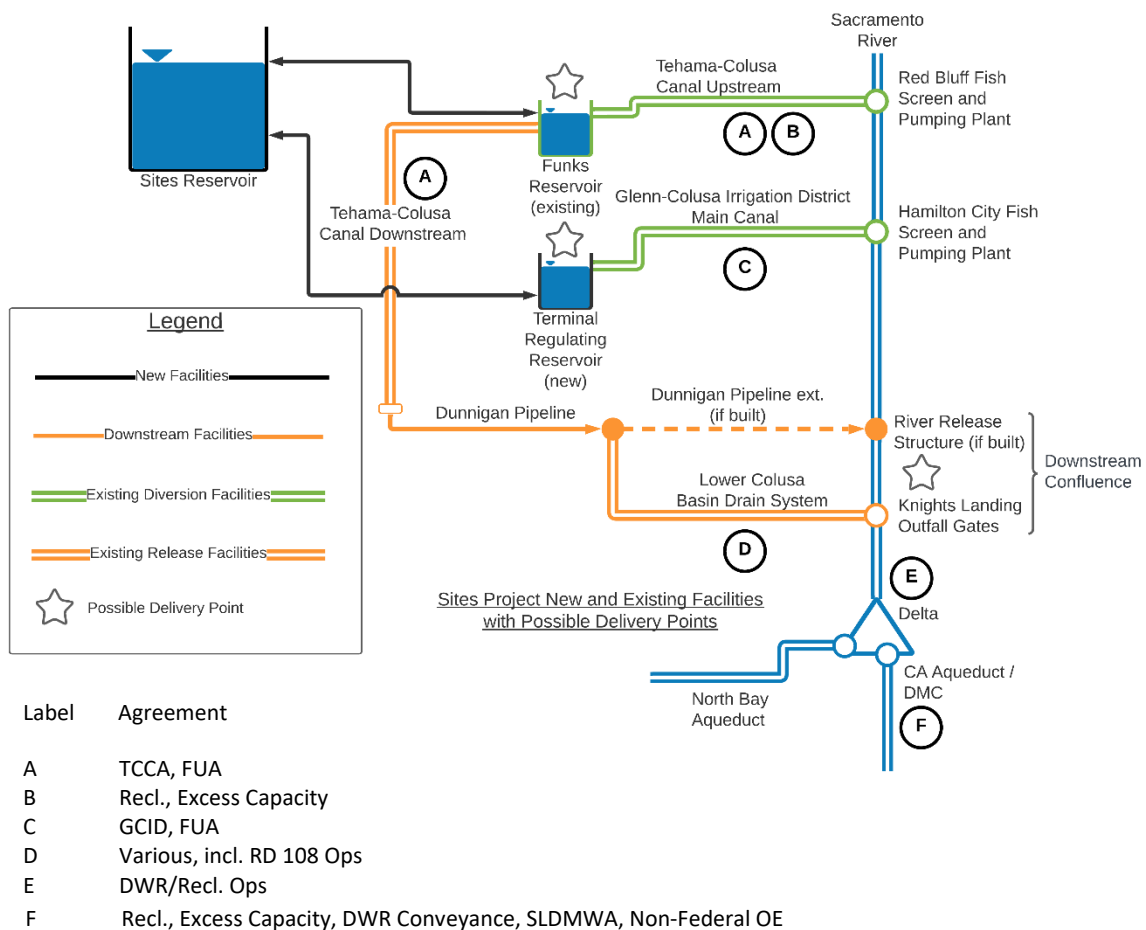


Figure 5-4. Delivery Points schematic with agreement labels

5.6 When can stored water be released?

Each Storage Partner has the discretion to manage its own account and will provide the Sites Authority with a projected release request each year. The Sites Authority has developed a simple form for this request, which is attached to the Operations Plan. Prior to operations, the Sites Authority intends to create an electronic member portal so each Storage Partner can access real time data on diversions, storage, and releases and complete release request forms electronically. The Operations Plan also allows for release order adjustments with a 1- to 2-week notice, depending on whether the request is an increase or decrease in release or if the release is intended for redirection at the Delta Export Facilities (which requires a 2-week notice to ensure coordination with all necessary entities). The Sites Authority will assist each Storage Partner in conveying their released Sites Water to a Second Delivery Point.

Stored water can be released as follows:

- Releases for Storage Partners along the Tehama-Colusa Canal and GCID Main Canal:** Releases can be made at any time of year when the Project is not diverting water into the reservoir. Note that only diversions or releases can occur at one time. Diversions of Sites Water into the reservoir take priority over releases because these diversions benefit all Storage Partners.

- **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, and thus, would follow the terms of any exchange agreement. These releases are expected to occur only in Balanced Water Conditions.
- **Releases for Storage Partners along the CBD:** Releases can be made at any time of year when the Project is not diverting water into the reservoir.
- **Releases for Storage Partners along the Sacramento River downstream of Knights Landing:** These releases can be made at any time of year when the Project is not diverting water into the reservoir. These releases must also be made under Balanced Water Conditions and consistent with the terms and conditions of the Project's Operations Incidental Take Permit (ITP) and water right, both of which have requirements for release of water into the Sacramento River.
- **Releases for Storage Partners who will receive water via the North Bay Aqueduct:** These releases can be made at any time of year when the Project is not diverting water into the reservoir. These releases must also be made under Balanced Water Conditions and consistent with the terms and conditions of the Project's Operations ITP and water right, both of which have requirements for release of water into the Sacramento River. These releases would be coordinated with DWR to ensure they can be rediverted into the North Bay Aqueduct.
- **Releases for SOD Storage Partners:** Releases of Sites Water for uses SOD 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 CVP and SWP. Sites Water will be exported during this July through November transfer window. These releases must also be made under Balanced Water Conditions and consistent with the terms and conditions of the Project's Operations ITP and water right, both of which have requirements for release of water into the Sacramento River. These releases would be coordinated with DWR and Reclamation to ensure they can be rediverted at the Delta Export Facilities.
- **Releases for wildlife areas along the Feather River:** These releases can be made at any time of year when the Project is not diverting water into the reservoir. These releases must also be made under Balanced Water Conditions and consistent with the terms and conditions of the Project's Operations ITP and water right, both of which have requirements for release of water into the Sacramento River. These releases would be coordinated with DWR to ensure an exchange with Oroville Reservoir is possible and the facility use partners in the Feather River system to ensure they can be conveyed to the respective wildlife areas.

Releases intended for exchanges with Reclamation and DWR can occur outside the transfer window but will be limited to periods when the Delta is in a Balanced Condition. If the released water is intended to enter the Sacramento River, it would also be subject to the terms and conditions of the Project's Operations ITP and water right, both of which have requirements for release of water into the Sacramento River (releases for deliveries along the Tehama-Colusa Canal, GCID Main Canal, or CBD do not have these same limitations).

5.7 What are exchanges and how do they occur?

Exchanges are an important component of Sites Reservoir operations because they allow the Project to use California's existing water infrastructure more efficiently to increase the flexibility of Sites Water to be delivered without requiring every AF to be physically conveyed directly from the reservoir to its

ultimate user. The Operations Plan contemplates exchanges with the SWP, CVP, and local Storage Partners. In each case, the exchange changes the timing or location of water use in a way that can improve deliverability, reduce conveyance constraints, or better coordinate Sites operations with the broader Central Valley water system. Exchanges are voluntary and may occur only when they are neutral or beneficial to CVP and SWP operations and do not interfere with existing regulatory, environmental, contractual, or legal obligations.

- **Lake Oroville exchanges.** These exchanges are intended primarily to increase the operational flexibility and yield of Sites Reservoir and facilitate deliveries to Storage Partners. Under the Operations Plan, Sites Water may be released into the Sacramento River primarily during June and July to meet SWP purposes, thereby allowing DWR to reduce releases that otherwise would have been made from Lake Oroville. The equivalent amount of water is then preserved in Oroville for later release, generally during August through November, for the benefit of Sites Storage Partners. This arrangement can improve the timing and location of deliveries and may also provide benefits to Lake Oroville cold-water pool management.
- **Real-time exchanges with local Storage Partners.** Real-time exchanges can be used to support deliveries to both north of Delta (NOD) and SOD Storage Partners and to work around physical conveyance limitations. For example, the Operations Plan describes an exchange with GCID in which GCID could receive Sites Water in lieu of diverting an equivalent amount of its own CVP supply from the Sacramento River. The water that GCID does not divert would remain in the river and could then serve as the Sites release for another Storage Partner. These exchanges can help minimize capacity constraints in the Dunnigan Pipeline and facilitate deliveries to Storage Partners located upstream of the Project's primary release facilities.
- **CVP exchanges and transactions.** The Operations Plan also provides for potential exchanges involving CVP. These would generally involve a portion of another Sites Participant's water, occur within a single year, be voluntarily purchased by Reclamation, and be coordinated between Reclamation and the Sites Authority. The current Operations Plan does not include a Shasta Lake exchange, although it notes that such an exchange could potentially be considered in the future, subject to Reclamation's requirements.

Taken together, these exchanges increase the utility and efficiency of Sites Reservoir by providing flexibility not only in how much water is stored, but also in where and when that water can be used most effectively. They can help preserve storage in other reservoirs, better align releases with downstream conveyance capacity, facilitate deliveries to Storage Partners, and improve coordination with the SWP, CVP, and local water agencies. At the same time, the exchanges remain subject to important safeguards, including consistency with the Project's Operations ITP, protection of DWR's regulatory obligations, and development and CDFW approval of a Water Exchange and Temperature Management Plan before exchanges are implemented.

The Sites Project CalSim 3 modeling included assumptions for Lake Oroville exchanges and real-time exchanges. These assumptions are described in Attachment F and generally resulted in a conservative approach (the modeling likely under-estimates exchanges). With these assumptions, the CalSim 3 model estimated 13 to 17 TAF/yr of Lake Oroville exchanges and 14 TAF/yr of real-time exchanges for delivery to south-of-Delta Storage Partners, as illustrated in Figure 5-5.

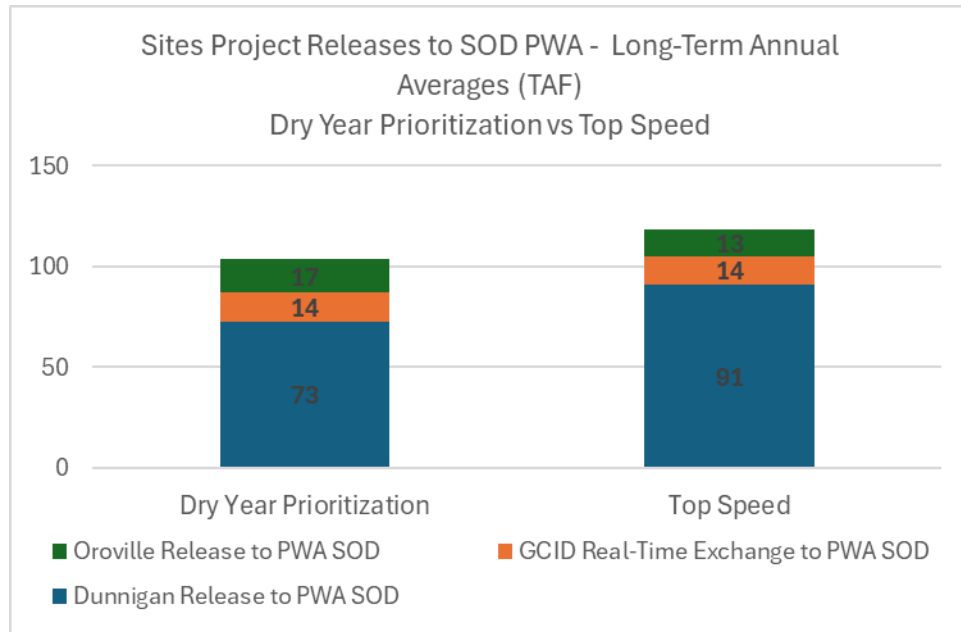


Figure 5-5. Sites Reservoir Releases and Exchanges for South-of-Delta PWA Participants

5.8 What are the ranges of transfer and delivery capabilities for north of Delta and south of Delta Participants?

5.8.1 What are the two operational scenarios under which the Project was modeled?

The Sites Authority has completed extensive modeling of the Project diversions using the CalSim 3 model. See Section 3.1 for a description of the CalSim 3 model and Attachment H for information on the model assumptions used. As noted in Section 5.3, above, the Sites Authority developed two modeling scenarios – Dry Year Prioritization and Top Speed:

- Dry Year Prioritization.** The Dry Year Prioritization scenario prioritizes releases from Sites Reservoir in the drier water year types. This scenario results in slightly lower overall diversions to storage, but slightly higher availability of water in dry and critical water year types. In essence, water is retained in Sites Reservoir for longer periods, increasing the likelihood that it will be available during drought conditions. However, maintaining higher carryover storage for these drier year scenarios reduces the amount of available storage space during the winter to fill with more water; thus, overall diversions are slightly lower in this scenario.
- Top Speed.** The Top Speed scenario seeks to maximize releases from Sites Reservoir each year, subject to available water supplies, capacity constraints, demands, and other limitations. This scenario results in slightly more overall diversions to storage, but slightly lower availability of water in dry and critical water year types. In essence, by moving water out of storage as quickly as possible, this scenario creates additional reservoir capacity that can be refilled during subsequent winter periods. However, this approach leaves less storage available to support deliveries during potential future dry or critical year; thus, overall diversions and long-term

deliveries are slightly higher in this scenario, but there is generally less water available for delivery in dry or critical years.

These scenarios were then run through the CalSim 3 model to understand the range of possible diversions, releases, and deliveries under the different operating conditions. Recall that each Storage Partner has the discretion to manage its own account, so actual operations will be controlled by each Storage Partner. Table 5-2 provides a summary of the key assumptions for the Dry Year Prioritization and Top Speed scenarios.

Table 5-2. Key modeling assumptions for the Dry Year Prioritization and Top Speed scenarios

	Dry Year Prioritization	Top Speed
General Assumptions		
Period of Simulation	100 years (1922–2021)	Same as Dry Year Prioritization
Climate Condition	2040±15 Median	Same as Dry Year Prioritization
Regulatory Conditions	2024 BiOps without Fall X2 and without HRL, and with revised OMR criteria associated with Action 5: - Smelt Salvage action offramps are based on Jersey Point Flow rather than Qwest flow (removes diversions made by CCWD) - Excludes X2 requirement for stormflex - Adjustments to the proportion of each month in the OMR management season that is constrained to -3,500 cfs	Same as Dry Year Prioritization
Sites Project Assumptions		
Sites Reservoir Storage Capacity	1.47 MAF	Same as Dry Year Prioritization
Diversion Criteria	ITP and Sept 2026 Revised Draft Water Right	Same as Dry Year Prioritization
Sites Storage Allocations		
NOD Members	177 TAF	Same as Dry Year Prioritization
SOD Members	764 TAF	Same as Dry Year Prioritization
State Wetland Habitat	244 TAF	Same as Dry Year Prioritization
Reclamation CVP OpFlex	226 TAF	Same as Dry Year Prioritization
Inactive Storage	60 TAF	Same as Dry Year Prioritization
North of Delta Member Deliveries and Transfers		
NOD to NOD Transfers	TCCA, GCID, and RD108 members may transfer their water supply to NOD contractors in March–May of Wet and Above Normal years when the Delta is in Balanced Conditions and Fremont Weir is not spilling.	TCCA, GCID, and RD108 members may transfer their water supply to NOD contractors in March–November of Wet and Above Normal years when the Delta is in Balanced Conditions and Fremont Weir is not spilling.
NOD to SOD Transfers	TCCA, GCID, and RD108 members may transfer their water supply to SOD contractors in July–November of Below Normal, Dry, and Critically dry years when the Delta is in Balanced conditions and Fremont Weir is not spilling.	Same as Dry Year Prioritization

	Dry Year Prioritization	Top Speed
Releases for Delivery to NOD members	Releases for delivery to the TCCA, GCID, and RD108 members are prioritized below water transfers.	Same as Dry Year Prioritization
City of American Canyon Deliveries		
Delivery Targets	Annual delivery target of 10 TAF in May–August of BN, D, and C years when there is capacity in the North Bay Aqueduct.	Annual delivery target of 10 TAF in May–August of all years when there is capacity in the North Bay Aqueduct.
South of Delta Member Deliveries		
WYT limitations	Delivery targets for SOD members are highly limited in Wet and Above Normal years and moderately limited in Below Normal years	Delivery targets for SOD members are not limited by Sites-specific WYT rules
Delivery targets	Delivery targets for SOD members are adjusted based on forecasted SWP allocations. Delivery targets are higher when SWP allocations are lower. • When SWP Table A Allocation is less than 65%, delivery target is equal to 100% of SOD members’ available storage supply • When SWP Table A Allocation is between 65% and 85%, the delivery target is equal to 50% of SOD members’ available storage supply • When SWP Table A Allocation is greater than 85%, the delivery target is set to zero	Delivery targets for SOD members are not adjusted based on forecasted SWP allocations
On-pattern/Off-pattern deliveries	Off-pattern deliveries (October–November) to SOD members are limited to incentivize greater on-pattern deliveries (July–September).	Sites-specific limitations on off-pattern deliveries are not included.

Key:

BiOps = Biological Opinions; CCWD = Contra Costa Water District; cfs = cubic feet per second; GCID = Glenn Colusa Irrigation District; HRL = Healthy Rivers and Landscapes; ITP = Incidental Take Permit; MAF = million acre-feet; NOD = north of Delta; OMR = Old and Middle River; RD10 = Reclamation District 108; SOD = south of Delta; SWP = State Water Project; TAF = thousand acre-feet; TCCA = Tehema-Colusa Canal Authority; WYT = Water Year Type;

5.8.2 What diversion and release losses are included in the Project’s CalSim 3 modeling effort? What is the difference between releases and deliveries?

Losses included in the Project’s CalSim 3 modeling are provide below. It is important to note that these are estimates and may change in real-time operations. Releases are the direct releases from Sites Reservoir to either Funks Reservoir or the TRR. Releases do not account for any conveyance losses and are used as a metric for comparison purposes. Deliveries include some losses to represent what a Storage Partner may expect to actually receive. The key loss assumptions in the CalSim 3 modeling between releases and deliveries are as follows:

Diversion Losses

- Along the Tehama-Colusa Canal – 1 %

- The Tehama-Colusa Canal is concrete lined, so losses are expected to be relatively low.
- Along the GCID Canal 2% (Nov- Mar), 13% (April-June)
 - The GCID canal is unlined. Winter losses are lower due to relatively saturated soil conditions.

Release Losses

- Along the Tehama-Colusa Canal – 1 %
 - The Tehama-Colusa Canal is concrete lined, so losses are expected to be relatively low.
- In the Dunnigan Pipeline – 0 %
 - The Dunnigan Pipeline is an enclosed concrete pipeline, so losses are expected to be minimal.
- Down the CBD – 0%
 - No losses are assumed in the CalSim 3 modeling for the CBD. In actual operations and consistent with the Sites Authority’s Operations Agreement with DWR and Reclamation, the Sites Authority will be credited for the lesser of the amount of (1) releases from the Dunnigan Pipeline or (2) measured water released from the CBD at the Knights Landing Outfall Gates.
 - While these losses are excluded from the CalSim3 model, the financial implications of potential losses are included in the Plan of Finance through the use of conveyance charges that include estimates for operations, maintenance, losses, and opportunity losses.
- Carriage Water Losses through the Delta – Range of 27 to 28%
 - CalSim 3 estimates the amount of Sites Water that can be conveyed through the Delta by modeling the additional Delta outflow needed to maintain applicable Delta water quality and operational requirements as Sites Water is exported. This “carriage water” represents the portion of Project releases that must remain in the Delta rather than being exported for delivery. The amount varies with hydrologic, salinity, export, and regulatory conditions, and therefore, is not simply a fixed percentage of Project releases. In actual operations and consistent with the Sites Authority’s Operations Agreement with DWR and Reclamation, carriage water losses will be applied to Sites Water moving through the Delta consistent with DWR/Reclamation’s “Draft Carriage Water Overview for Non-Project Water Transfers,” which explains specifically how DWR and Reclamation calculate and apply carriage water to non-CVP/SWP project water transfers through the Delta.

Reservoir Losses

- Sites Reservoir Losses – 12-14%
 - Sites Reservoir evaporation and seepage allocated losses. Long term evaporation losses are estimated to be about 10 to 12% and the screening value upper bound for seepage losses is estimated to be 2%. Both are accounted for in the CalSim 3 model, with evaporative losses calculated by the model using local meteorological data.

Additional minor losses are expected for SOD Participants to convey water down the California Aqueduct to their specific turnout(s). These losses are also summarized in table format in Attachment F.

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

Table 5-3 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. The values in Table 5-3 are approximations because each Storage Partner has the flexibility to manage its account as it sees best within its water supply portfolio.

Table 5-3. 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 Participants (includes American Canyon)	10	11	11	6
Transfer release to NOD Demand	12	0	29	0
Transfer release to SOD Demand	15	18	5	5
SOD Participants	104	187	120	162
CVP Operational Flexibility	30	71	30	70
Refuge Water Supply	45	42	44	40
NOD	8	9	8	8
SOD	38	34	36	32
Total Releases and Transfers	217	329	238	283

Key: CVP = Central Valley Project; NOD = north of Delta; SOD = south of Delta; TAF = thousand acre-feet

Table 5-4 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 for each Storage Partner. The values in Table 5-4 are approximations – each Storage Partner has the flexibility to manage its account as it sees best within its water supply portfolio.

Table 5-4. 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 for each Storage Partner

Releases & Transfers (AF/year)	Dry Year Prioritization		Top Speed	
	Average	Dry and Critical	Average	Dry and Critical
Colusa County WD	993	2,054	386	628
Cortina WD	49	102	19	31
Davis WD	220	455	85	139
Dunnigan WD	327	676	127	207
LaGrande WD	110	228	43	70
Westside W.D.	591	1,223	230	374
GCID	3	6	3	6
RD 108	0	0	0	0
County of Colusa	5,191	1,343	4,622	681
NOD to NOD Transfer	12,050	0	29,043	0
NOD to SOD Transfer	15,441	18,373	4,540	4,833
American Canyon	2,980	5,187	5,326	3,847

AVEK	426	762	488	660
Coachella Valley WD	8,527	15,234	9,768	13,201
Desert WA	5,542	9,902	6,349	8,581
IRWD	853	1,523	977	1,320
Metropolitan WD	42,634	76,171	48,842	66,006
Rosedale-Rio Bravo	426	762	488	660
SBVMWD	18,247	32,601	20,904	28,251
San Gorgonio Pass WA	11,938	21,328	13,676	18,482
Valley Water	1,279	2,285	1,465	1,980
SCVWA	4,263	7,617	4,884	6,601
Wheeler-Ridge	1,748	3,123	2,003	2,706
Zone 7 WA	8,527	15,234	9,768	13,201
Reclamation	29,927	70,543	29,561	69,679
State NOD	7,528	8,692	7,528	8,527
State SOD	37,517	33,710	36,462	32,039
Total	217,338	329,136	237,589	282,711

5.8.4 What are the ranges of deliveries and transfers under the two operational scenarios?

Table 5-5 shows (1) the long-term average annual deliveries and transfers and (2) average deliveries and transfers in dry and critical years under the Dry Year Prioritization scenario and under the Top Speed scenario. The values in Table 5-5 are approximations – each Storage Partner has the flexibility to manage its account as it sees best within its water supply portfolio. No losses are assumed in the CalSim 3 model for NOD users that use their water NOD and thus, release and delivery numbers are the same for these Participants.

Table 5-5. 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 Participants (includes American Canyon)	10	11	11	6
Total NOD Transfer (end-point delivery)	23	14	32	4
Transfer to NOD Demand (end-point delivery)	12	0	29	0
Transfer to SOD Demand (end-point delivery)	11	14	3	4
SOD Participants	76	139	85	120
CVP Operational Flexibility	28	77	31	78
Refuge Water Supply	34	33	33	32
NOD	8	9	8	8
SOD	26	25	26	24
Total Deliveries and Transfers	171	275	192	240

Key: CVP = Central Valley Project; NOD = north of Delta; SOD = south of Delta; TAF = thousand acre-feet

Table 5-6 shows (1) the long-term average annual deliveries and transfers and (2) average deliveries and transfers in dry and critical years under the Dry Year Prioritization scenario and under the Top Speed scenario *for each Storage Partner*. The values in Table 5-6 are approximations – each Storage Partner has the flexibility to manage its account as it sees best within its water supply portfolio.

Table 5-6. 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 by Storage Partner

Deliveries & Transfers (AF/year)	Dry Year Prioritization		Top Speed	
	Average	Dry and Critical	Average	Dry and Critical
Colusa County WD	993	2,054	386	628
Cortina WD	49	102	19	31
Davis WD	220	455	85	139
Dunnigan WD	327	676	127	207
LaGrande WD	110	228	43	70
Westside W.D.	591	1,223	230	374
GCID	3	6	3	6
RD 108	0	0	0	0
County of Colusa	5,191	1,343	4,622	681
NOD to NOD Transfer	12,050	0	29,043	0
NOD to SOD Transfer	11,189	14,441	3,311	3,862
American Canyon	2,980	5,187	5,326	3,847
AVEK	309	567	346	490
Coachella Valley WD	6,185	11,334	6,913	9,807
Desert WA	4,020	7,367	4,494	6,374
IRWD	618	1,133	691	981
Metropolitan WD	30,925	56,668	34,566	49,034
Rosedale-Rio Bravo	309	567	346	490
SBVMWD	13,236	24,254	14,794	20,987
San Geronio Pass WA	8,659	15,867	9,679	13,730
Valley Water	928	1,700	1,037	1,471
SCVWA	3,092	5,667	3,457	4,903
Wheeler-Ridge	1,268	2,323	1,417	2,010
Zone 7 WA	6,185	11,334	6,913	9,807
Reclamation	27,924	75,504	30,620	76,253
State NOD	7,528	8,692	7,535	8,527
State SOD	26,319	24,919	25,740	23,665
Total	171,209	273,612	191,743	238,374

5.8.5 What are the constraints to delivering Sites Water to Storage Partners?

Deliveries of Sites Water depend on the interaction of Project operations with existing conveyance facilities, Delta conditions, CVP and SWP operations, regulatory requirements, and the physical location of each Storage Partner. These constraints are particularly important because much of the Project relies on existing regional and statewide infrastructure to move Sites Water from the reservoir to its ultimate place of use. A few key constraints to delivering Sites Water are as follows:

- **Sites cannot simultaneously fill and release through the main inlet/outlet (I/O) facilities.** When Sites Reservoir is being filled with Sacramento River water, the same I/O works cannot simultaneously release water back to Funks Reservoir or the TRR. The Operations Plan gives diversion of Sites Water from the Sacramento River priority over releases through the I/O works. As a result, there may be periods when otherwise desirable deliveries must be delayed to take advantage of an opportunity to divert and store water.
- **Deliveries are constrained by available conveyance capacity.** The Project relies on existing facilities—including the Tehama-Colusa Canal and GCID Main Canal—as well as new Project facilities, such as the Dunnigan Pipeline. Releases are therefore limited by whatever capacity is available after accounting for existing users and other operations. For water moving toward the Sacramento River, available capacity in the Tehama-Colusa Canal, the 1,000-cfs Dunnigan Pipeline, the lower CBD, and ultimately downstream points of rediversion (such as the Delta Export Facilities) can each constrain how quickly Sites Water can be delivered.
- **SOD deliveries are limited to the transfer window.** Sites is not part of the CVP or SWP, so Sites Water conveyed through the Delta Export Facilities is treated as non-CVP/SWP project water. Sites Water intended for rediversion at the Delta Export Facilities for SOD Sites Participants can currently be exported only during the July through November transfer window. SOD releases also require the Delta to be in Balanced Conditions, and an opportunity must exist to move non-CVP/SWP water through the Delta Export Facilities. SOD exports require concurrence from both DWR and Reclamation.
- **North Bay Aqueduct deliveries are limited by Balanced Conditions.** Deliveries through the North Bay Aqueduct depend on the Delta being in Balanced Conditions and available opportunities to move water through that facility. North Bay Aqueduct deliveries require DWR concurrence.
- **Environmental and water-quality requirements can constrain release pathways and timing.** Although not expected to be a substantial constraint based on the extensive water temperature and water quality modeling conducted for the Project, Project releases are subject to the Operations ITP and other environmental requirements.

Constraints to Sites Water delivery to SOD Participants were analyzed by evaluating the results of the CalSim 3 model. Table 5-7 provides a summary of the results of this analysis and shows the percent time a delivery limitation controlled SOD Participants' deliveries. It is important to note that the analysis in Table 5-7 should be viewed as a relative magnitude of delivery constraints—indications of potential risk areas—not as absolutes. Additionally, there may be times when more than one constraint is limiting or preventing deliveries.

Table 5-7. SOD delivery limitations under the Dry Year Prioritization scenario and the Top Speed scenario – percentage of months that constraints control SOD deliveries

Delivery Control*	Dry Year Prioritization Scenario	Top Speed Scenario
High SWP allocation. Modeling assumption in the Dry Year Prioritization Scenario whereby deliveries for SOD Participants are limited when SWP Table A Allocations are less than 85%.	44%	0%
Sites Storage Supply for SOD Participants. SOD Participants' accounts were limited in supply or had no water.	27%	35%
Banks Pumping Plant at Capacity. No available capacity at the Banks Pumping Plant during the July through November transfer window. This is more likely to be a limiting factor in wetter years.	4%	25%
California Aqueduct at Capacity. No available capacity in the California Aqueduct during the July through November transfer window. This is more likely to be a limiting factor in wetter years.	10%	17%
Dunnigan Pipeline at Physical Capacity and Real-Time Exchanges with GCID are "Maxed Out"	11%	11%
Conveyance Limited by Delta Conditions	2%	10%

* Although it is possible that multiple controls may limit deliveries in the same month, only one control is identified per month.
Key: GCID = Glenn Colusa Irrigation District; SOD = south of Delta; SWP = State Water Project; TAF = thousand acre-feet

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

6.1 How is water in Sites Reservoir allocated among Storage Partners?

Sites Water (water that is appropriated under the Sites Water Right) diverted from the Sacramento River will first be 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 Storage 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 Partner'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 periodically 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 the Storage Partner has in storage that day.

The Operations Plan is available via link in Attachment G of the Baseline Report.

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

Each Storage Partner has substantial control over its allocated storage space and the water assigned to it, but that control operates within the shared physical, contractual, and regulatory framework of the Project. A Storage Partner's Storage Allocation is based on its Base Facilities Capacity Interest, and the water allocated to that account is tracked separately. Once Sites Water has been diverted, placed into storage, and allocated to a Storage Partner, that Storage Partner generally decides whether to hold the water in storage, request its release for use, or pursue a sale or exchange, subject to the terms of its contract and applicable Project requirements.

- **Control over storage space.** Each Storage Partner receives a defined Storage Allocation tied to its contractual Base Facilities Capacity Interest. A Storage Partner can request that its available space be filled and can also elect not to receive additional diversions into that space. Under the current Operations Plan, if a Storage Partner opts out of receiving additional Sites Water, the unused portion of its Storage Allocation remains empty rather than being reassigned to another Storage Partner.
- **Control over when to use stored water.** Storage Partners have discretion over how much water held in their Storage Allocation they want scheduled for release. They submit release requests to the Sites Authority, and the Sites Authority then works to schedule and implement those deliveries. Thus, the Storage Partner makes the fundamental decision about whether to retain its water in storage or request that it be released. This also allows a Storage Partner to carry over water in Sites Reservoir for future use.
- **Ability to sell or exchange stored water.** Storage Partners may sell or exchange their Sites Water to another Storage Partner or another entity. The commercial terms of those transactions are generally at the discretion of the participating entities, although the transaction cannot impair other Storage Partners, the Sites Water Right, or applicable regulatory requirements. The Operations Plan also contemplates voluntary leasing or sale of Capacity Interest, providing another mechanism for Participants to manage the value of their Project participation.
- **Ability to participate voluntarily in exchanges.** A Storage Partner can choose whether to participate in real-time, Lake Oroville, or other contemplated exchanges. Exchange participation is expressly voluntary; neither a Storage Partner, DWR, Reclamation, nor another exchange partner is required to participate. This provides Participants another tool for improving the timing or location of their water deliveries without surrendering control of the underlying water.

Individual Storage Partners do not independently operate the reservoir or dictate when Sacramento River diversions occur. The Sites Authority controls Project diversion and release operations and must coordinate releases around available conveyance capacity, Delta conditions, environmental requirements, other Storage Partners' contractual rights, and applicable laws and permits.

The Project is structured to give each Storage Partner substantial autonomy over the economic and water-supply value of its individual Storage Allocation, while the Sites Authority retains centralized

control over operation of the shared reservoir and conveyance system. Participants decide whether to store, hold, release, sell, lease, or exchange their water and capacity interests, but exercising those choices must fit within the physical capacity of the Project, the rights of other Storage Partners, and the regulatory and operational requirements that apply to the system as a whole.

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

Storage Partners are expected to have direct visibility into both Project-wide operations and the accounting for their individual water through a real-time Project dashboard. The Operations Plan envisions a shared information system that allows the Sites Authority and Storage Partners to see how much water is being diverted, how much has been placed into each Participant's Storage Allocation, how much has been released or delivered, and how operational losses affect those balances.

- **Real-time operational dashboard.** The Sites Authority plans to develop a dashboard accessible to Storage Partners that tracks key Project operations as they occur. The dashboard is expected to show diversions from the Sacramento River, pumping into Sites Reservoir, local inflows, requested and actual fills, reservoir levels, releases, deliveries, exchanges, and power operations.
- **Individual Storage Allocation accounting.** The dashboard is expected to show the amount of water held in each Storage Partner's Storage Allocation, allowing Participants to monitor their current account balance as Project operations change. Storage Allocation accounting will also reflect estimated reservoir losses, such as evaporation and seepage.
- **Tracking requested versus actual operations.** Storage Partners will be able to compare what they requested with what actually occurred, including requested versus actual fills and requested versus actual releases. This provides transparency where hydrologic conditions, facility constraints, or other operational considerations cause actual operations to differ from a Storage Partner's request.
- **Tracking losses and exchanges.** The accounting system is also expected to identify estimated conveyance losses, carriage water, and exchanged water and its location. This is particularly important for Participants whose water is conveyed through multiple facilities or through the Delta because the amount ultimately delivered may differ from the volume initially released from Sites Reservoir.
- **Information at multiple time scales.** The dashboard is intended to provide information ranging from near-real-time conditions to summaries for the prior week, prior month, and year-to-date. The Operations Plan also states that the dashboard will be developed with input from Storage Partners, allowing the information presented to reflect their operational and planning needs.
- **Year-end reconciliation and true-up.** Real-time accounting will ultimately be reconciled against final operational data after deliveries are completed each year. The Sites Authority will prepare a year-end true-up covering diversions, storage, releases, deliveries, losses, and exchange-related accounting. Any discrepancies will be resolved with the affected Storage Partner and relevant Downstream Facility operators, and the final accounting will help inform Participants' water requests for the following year.

The Project will operate with transparent, participant-specific water accounting rather than as a single undifferentiated pool of water. Storage Partners will be able to see both what is happening across the Project and how those operations affect their individual Storage Allocation in near real time, while the

year-end true-up provides a formal reconciliation of the final water balance. This combination of real-time visibility and annual reconciliation is intended to give Storage Partners the information needed to make informed decisions about storage, releases, exchanges, and future-year operations.

6.4 How do Storage Partners make requests for storage opportunities or releases?

Each Storage Partner will provide the Sites Authority with a request for Sites Water that the Storage Partner seeks to have stored in the Project. Using seasonal forecasts of storage estimates and the information available on the real-time Project Dashboard (discussed in Section 6.3 above), each Partner will also provide the Sites Authority with a requested schedule for releases of the Storage Partner's stored water. The details of this process are provided in the Operations Plan along with example forms. The only exception to this is the Storage Allocation held for ecosystem benefits. This account will be actively managed by the Authority consistent with the Contract for Administration of Public Benefits.

6.5 How will lease and sell transactions work?

The Project, including the B&O Contract and Partnership Agreement, is intended to give Storage Partners flexibility to lease or sell both water and capacity interests, but transactions involving ownership or use of Project capacity are subject to safeguards designed to protect the other Storage Partners, Project financing, the Sites Water Right, and ongoing Project operations.

- **Sale or exchange of Sites Water.** A Storage Partner may sell or exchange water already associated with its Storage Allocation to another Storage Partner or another entity. The commercial terms of that transaction—such as price, quantity, and other negotiated conditions—are generally left to the participating entities. The Sites Authority's role is not to set those commercial terms, but to ensure that the transaction can be implemented consistently with the Sites Water Right, applicable laws, governmental approvals, and the contractual rights of other Storage Partners. Once two entities agree to a sale or exchange, they must notify the Sites Authority so that storage balances, releases, deliveries, and Project accounting can be updated.
- **Lease of Capacity Interest.** Storage Partners may lease all or a portion of their Base Facilities Capacity Interest and, where applicable, their Downstream Facilities Capacity Interest to another Storage Partner or other entity, allowing temporarily unused storage or conveyance capacity to be put to productive use without permanently transferring ownership. The Storage Partner generally retains discretion to negotiate the commercial terms of the lease, but the lease must be consistent with the Sites Water Right, applicable laws, and approvals and cannot adversely affect other Storage Partners' rights or Project financing. Leases are generally limited to 10 years, unless approved under the more rigorous procedures that apply to a permanent sale. Importantly, the leasing Storage Partner remains a party to the B&O Contract and continues to be responsible for the obligations associated with the leased Capacity Interest, while the Sites Authority confirms that the transaction can be properly accounted for and implemented without adversely affecting Project operations.
- **Sale of Capacity Interest.** Storage Partners may sell all or a portion of their Base Facilities Capacity Interest and, where applicable, their Downstream Facilities Capacity Interest to another Storage Partner or other entity, allowing a Storage Partners to permanently transfer part of its participation in the Project. The selling Storage Partner generally retains discretion to

negotiate the commercial terms of the transaction, but the sale must be consistent with the Sites Water Right, applicable laws, and governmental approvals; must not adversely affect other Storage Partners' rights; and must preserve the Project's financing and tax-exempt status. Sales are also subject to applicable Sites Authority and Reservoir Management Board approvals, as well as a right of first refusal for existing Storage Partners when the proposed purchaser is a non-Storage Partner. The seller remains responsible for obligations associated with the transferred Capacity Interest until the purchaser enters into the B&O Contract and assumes the applicable responsibilities.

- **Sites Authority-facilitated marketplace.** The Sites Authority intends to maintain a voluntary database where Storage Partners can identify whether they are interested in buying, selling, or leasing Sites Water, Base Facilities Capacity Interest, or Downstream Facilities Capacity Interest. The database is intended as a matchmaking tool—it connects interested parties, but the actual transaction remains voluntary and is negotiated by the parties themselves.
- **The Sites Authority must be notified so the transaction can be accounted for operationally.** Once two entities agree to a sale, lease, or exchange (of Sites Water or of Capacity Interest), they must notify the Sites Authority so that storage balances, releases, deliveries, and Project accounting can be updated. This is particularly important because Sites Water and individual Storage Allocations are intended to be tracked on a Storage Partner-specific basis.

Together, these provisions are intended to give Participants meaningful flexibility to optimize the value of their Sites Project participation while protecting the financial and operational integrity of the Project as a whole.

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

A simple approach to estimating the overall performance of a Storage Partner's account is through the storage to delivery ratio. This ratio is developed by dividing a Storage Partner's total storage account share by their annual average delivery. For example, if a Storage Partner's Storage Allocation is 100,000 AF and their annual average delivery is estimated to be 10,000 AF, then their storage to release ratio would be 10:1. Generally speaking, a lower storage to delivery ratio between two different accounts or two different operational scenarios indicates a more effective and efficient operation, thus indicating a higher "yield" of water supply for the Storage Partner.

The Project-wide storage to delivery ratio for the Dry-Year Optimization and Top Speed scenarios are 8.2 and 7.4, respectively. Given the more aggressive Storage Partner operations under the Top Speed scenario, it is not surprising that the ratio is lower for the Top Speed scenario because while the Storage Allocations are the same between the two scenarios, the annual average deliveries are higher under the Top Speed scenario. Since operational objectives and release/delivery constraints differ among the Storage Partners and Reclamation, storage to delivery ratios differ by participant. Table 6-1 provides a summary of the storage to delivery ratio for each Storage Partner Account and for Sites Reservoir as a whole, for the both the Dry Year Prioritization and Top Speed scenarios, respectively. Most accounts have a lower storage to delivery ratio under the Top Speed scenario. The Colusa County, CVP, and WSIP accounts show nominal increases under the Top Speed scenario as those accounts have the same operational objectives under both scenarios. The increased utilization of the other accounts under the Top Speed scenario results in fewer foregone diversions that benefited these accounts under the Dry

Year Prioritization scenario. This benefit results in a slight reduction to these accounts' deliveries, which creates a slight increase to the storage to delivery ratio.

Table 6-1. Storage-to-delivery ratio by account

Storage to Delivery Ratio by Account²	Dry Year Prioritization Scenario	Top Speed Scenario
TCCA	5.3	4.0
GCID	6.4	5.2
RD 108	8.3	7.4
Colusa County	3.1	3.5
American Canyon	8.3	4.7
SOD PWA ³	10.2	9.1
CVP	7.6	7.7
WSIP	7.3	7.4
Total	8.2	7.4

While a lower storage to release ratio indicates a higher overall yield, a Storage Partner may highly value deliveries under certain circumstances or hydrologic conditions. Under this circumstance, the Storage Partner may use their deliveries under those specific conditions to evaluate yield performance rather than the annual average delivery.

Storage Partners can lower their storage to delivery ratio by pursuing more frequent and/or aggressive release operations. For Storage Partners that may not necessarily always have a demand to be met by more aggressive release operations, this could include storage of their Sites Water in a groundwater bank or for SOD Storage Partners' storage in other SOD reservoirs. Storage Partners could also lower their storage to delivery ratio by selling their water supply, increase their utilization of exchanges, and/or lease their storage capacity to a Storage Partner with a more aggressive release operation. A mix of different operational objectives could also be assembled that seek to lower the storage to delivery ratio but that maintain deliveries under certain circumstances or hydrologic conditions. However, Storage Partner deliveries are ultimately also constrained by available diversions (reservoir inflows), storage and conveyance capacities, and regulatory conditions. While a Storage Partner's storage to delivery ratio is sensitive to their operational strategies, these other factors collectively bound how low a Storage Partner's storage to delivery ratio can go.

² TCCA, GCID, and RD 108 accounts include delivery to themselves and transfer deliveries to non-Sites storage partners.

³ If the SOD PWA ratio used releases rather than deliveries, the ratios would be 7.4 and 6.5, respectively.

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

The \$7.5 billion Governance Estimate includes a “Governance Contingency” of approximately \$910 million (2024\$). This value was estimated by subject-matter experts analyzing potential risks and probability of occurrence for unknowns in the following areas: 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 (2024\$). 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 Construction Manager at Risk (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 2024\$ and are based on the 30% design cost estimate. Both estimates also represent the total Project cost estimates that include costs for construction and noncontract costs. The basis for the total Project costs are:

- Cost Estimate for Noncontract Costs Technical Memorandum (Jeff Herrin, Dated May 9, 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 \$910 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.

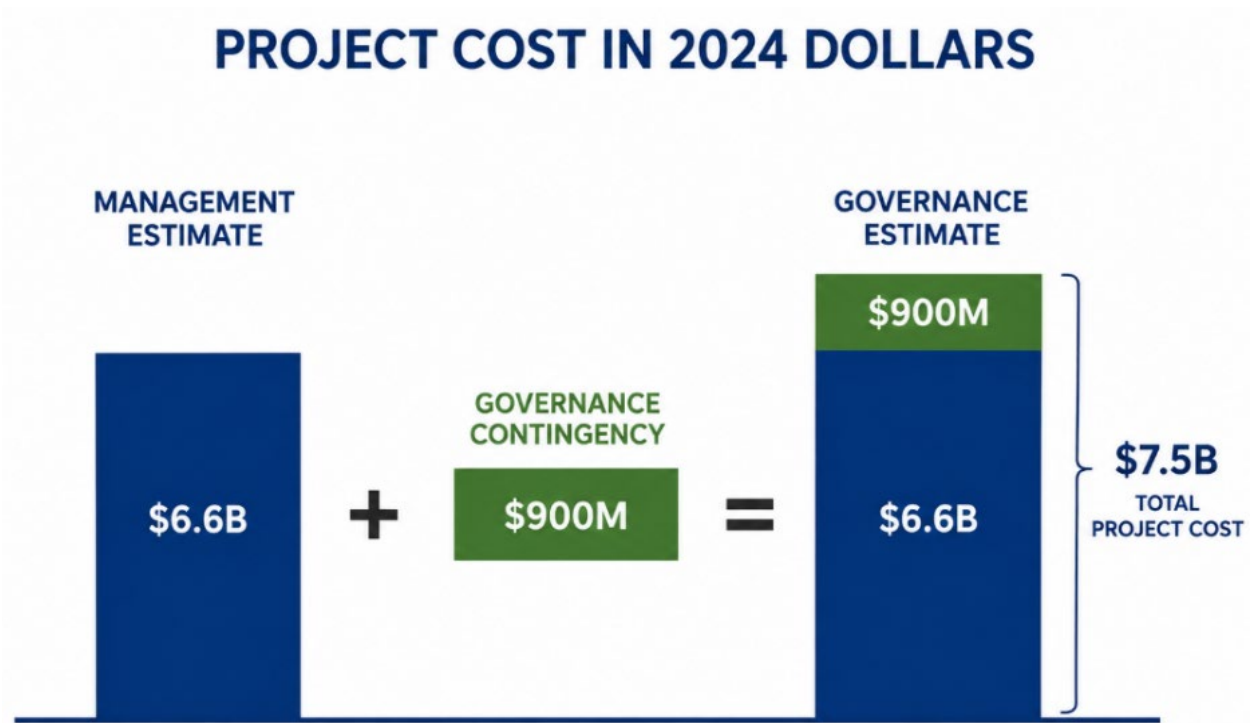


Figure 7-1. A graphical representation of Project costs (2024\$)

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 (2024\$) for the Management Estimate, with each including an additional \$910 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 \$910 million Governance Contingency, the resulting Governance Estimate is \$7.5 billion (2024\$).

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, regulatory, and identified geotechnical risks, such as greater quantities of excavation or more difficult excavation conditions. Whereas the \$7.5B Governance Estimate includes an additional \$910 million of Governance Contingency above the Management Estimate. This provides an additional level of cost protection for the Project, including additional geotechnical and construction risks beyond those accounted for in the Management Estimate and noncontract cost, real estate and compensation mitigation risks not otherwise accounted for within the Management Estimate. The Governance Contingency would remain under Authority 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 an Authority Board action. Attachment A includes a summary of the Management and Governance Contingency components and dollar values that are included for each component.

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 an Authority 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 guaranteed maximum price (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 will remain under Authority Board control and will only be made available for use with Authority Board approval.

7.6 What is the difference between a Project “estimate” and a Project “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 2024\$, which allows Project costs to be evaluated on a consistent basis without the effects of future escalation.



ESTIMATE
(Constant Dollars)

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.



FORECAST
(Year-of-Expenditure Dollars)

Figure 7-2. Difference between “estimate” and “forecast”

This distinction allows the Project to evaluate and manage changes in the underlying cost of the work (i.e., estimate) separately from changes resulting from the timing of expenditures and escalation (i.e., forecast).

7.7 What are the Management Forecast and Governance Forecast?

Similar to the Management Estimate and Governance Estimate, the Project maintains both a Management Forecast and a Governance Forecast. The difference is that the forecasts express Project costs in YOE dollars, incorporating escalation based on when costs are expected to occur.

The Management Forecast represents the YOE 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 YOE 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 Forecast and Governance Forecast.

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 major Project facilities (excluding the Dunnigan Pipeline), as work packages are advanced to 60%, the engineers' cost estimates will be replaced by contractor 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?

Several iterations of value engineering (VE) and project refinement have occurred to drive down costs and optimize the Project to what is currently shown in the 30design. A VE TM was developed to summarize the current VE ideas that will actively be pursued in the next phase of the Project. The VE TM is included as Attachment C of the Baseline Report. The ideas with estimated potential savings in the VE TM are summarized in Table 7.1. Descriptions of these VE concepts are included in Attachment C.

Table 7.1. Value Engineering Concepts Summary

Concept	Potential Cost Savings Range
Golden Gate Dam Realignment	\$100m–\$200m
Raise Reservoir Physical Deadpool	\$10m–\$20m
Optimize Saddle Dams Freeboard	\$10m–\$50m
Reduce Grout Cap Thickness	\$5m–\$10m
Produce Aggregate Onsite	\$20m–\$35m
Produce Dam Drain Material Onsite	\$30m–\$60m
Use Alternative Dynamic Movement Joints	\$50m–\$60m
Remove fire water tank at Funks PGP	\$1m–\$3m
Reduce TRR Capacity from 600 AF to 450 AF	\$30m–\$40m
Remove TRR Check Structure	\$10m–\$12m

Key: AF = acre-feet; PGP = Pumping-Generating Plant; TRR = Terminal Regulating Reservoir

Recognition and implementation of each of these VE concepts in Table 7.1 will take one or more of the following:

- Additional geotechnical exploration and analysis
- Design analysis and advancement
- Regulatory coordination

- Partner Facility coordination

In addition to the VE TM concepts, VE ideas will also be solicited during the Conveyance CMAR procurement in the fall/winter of 2026.

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

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 GCID and the TCCA. Fixed O&M and Variable O&M costs, other than power, are escalated at 3.5 percent per year. This reflects recent trends in labor, materials supplies, and other non-labor costs. Power costs are assumed to increase 3.0 percent per year on average, while the increase in power sold from the Project is assumed to increase at 2.0 percent 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.

7.11.1 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 7-3 shows the total projected Fixed O&M costs forecast for the Project. Fixed O&M costs are estimated to be \$12.3 million (2024\$) and are escalated at 3.5 percent per year, as shown in the figure below.

The forecast includes major maintenance and repairs on the dams, I/O works, and roads and bridges at approximately 5-year intervals. Fixed O&M costs billed to Participants are reduced by interest earnings on available funds and contributions by Reclamation and increased by required contributions to reserve funds, such as the Liquidity Reserve.

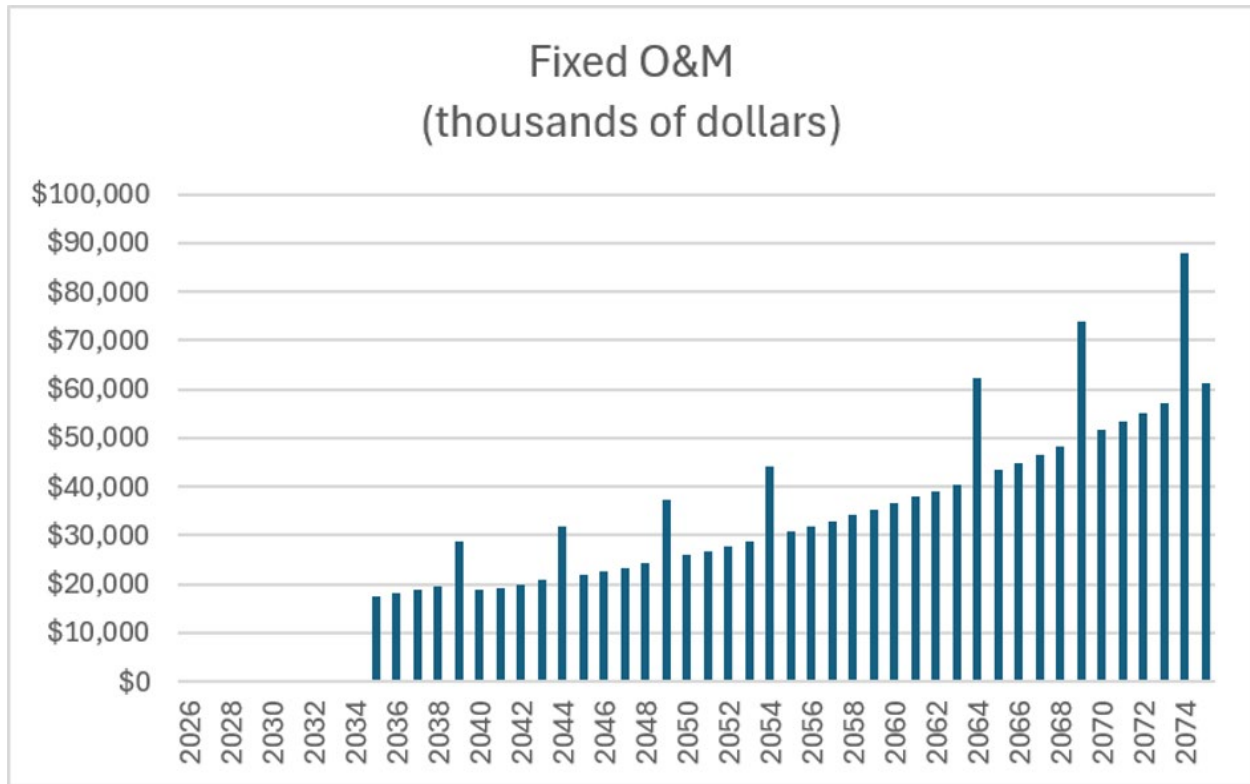


Figure 7-3. Annual Fixed O&M forecast for the Project

7.11.2 Variable O&M

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 CBD, 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.

Because 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 Sites Project. For instance, some entities might operate under the Dry Year Prioritization scenario, while others may move water into and out of the reservoir each year under the Top Speed scenario. Variable cost in a given year will also reflect different water-year types because that affects the amount of water that is available for diversion and release.

7.11.3 Repair and Replacement 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 1 year in advance as a Fixed Project Cost to the Participants (net of any payments received by the State and Reclamation). Major replacement costs greater than \$35 million are assumed to be financed and recovered over the life of the 30-year debt. Figure 7-4 shows projected debt service on major replacements beginning in 2054.

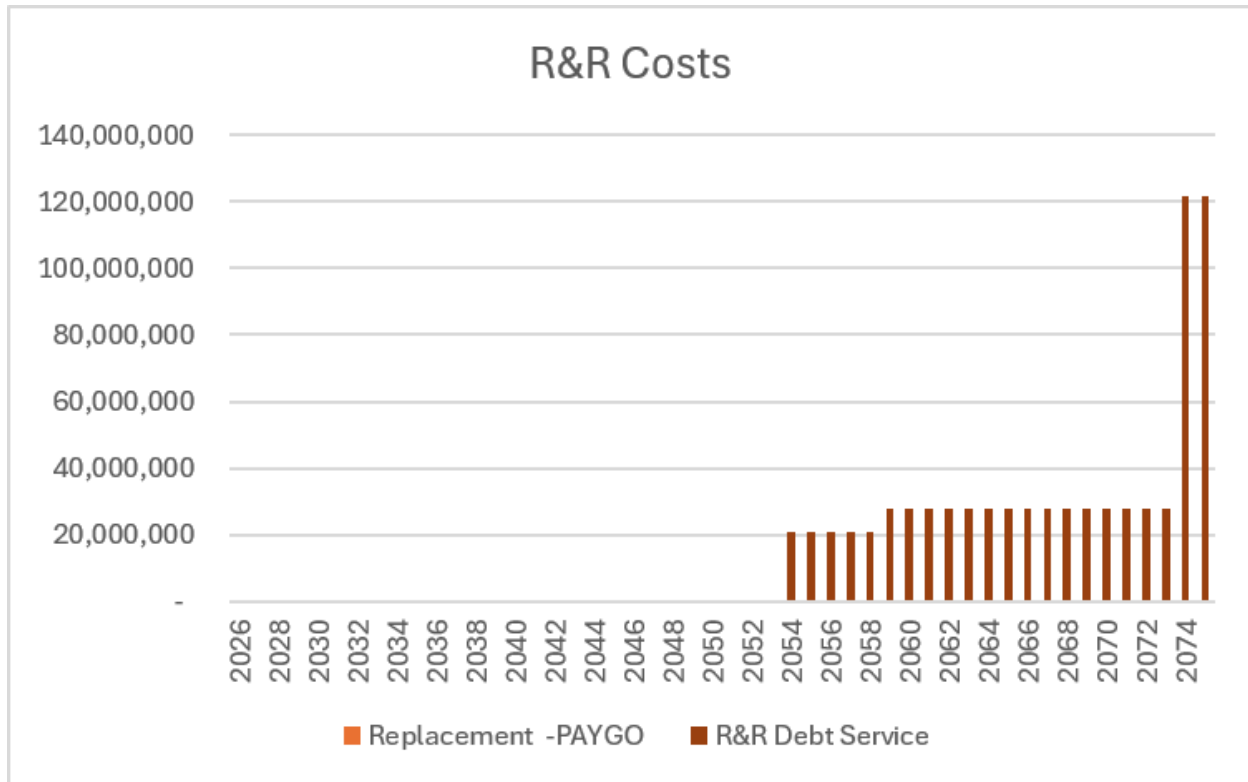


Figure 7-4. Project debt service on major replacements

7.12 How will the Project be funded and financed?

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

The Project's Plan of Finance identifies the anticipated funding and financing sources needed to construct the Project and evaluates how borrowed funds will be repaid. The Plan of Finance is based on the following considerations and assumptions:

- Funding and financing requirements will vary throughout the planning, design, construction, and operating phases of the Project.
- The B&O Contract allows each Participant to fund its allocated share of Project costs through Sites Authority-arranged financing, on a pay-as-you-go (self-funding) basis, or through a combination of the two. Participants using Sites Authority-arranged financing are responsible for their allocated financing costs, including debt service, while self-funding Participants pay their share of Project costs as required under the Contract. These payment obligations apply regardless of the amount of water stored or delivered.
- Sites Authority-arranged financing is expected to include interim borrowing during construction, followed by long-term financing through Water Infrastructure Finance and Innovation Act (WIFIA) loans, tax-exempt revenue bonds, or other available financing programs.
- The Project Cost Estimate is as presented in Section 7.2 and includes construction, planning and design, land and rights-of-way, environmental and permitting activities, project management, legal costs, contingencies, and other Project costs.

- State, federal, Participant, and financing sources are assumed to be available in the amounts and at the times reflected in the financial forecast. Actual funding and financing will depend on applicable approvals, appropriations, market conditions, and financing terms.
- Project costs are escalated through final completion using the escalation assumptions presented in the Plan of Finance.
- Participant, State, and Reclamation Capacity Interests in the Base Facilities and Downstream Facilities are assumed to be consistent with those presented in the Plan of Finance.
- The financial forecast is based on the Project baseline schedule presented in Attachment B. Significant schedule changes may require corresponding updates to Project cost estimates, cash-flow forecasts, and financing assumptions.

7.12.2 What is the mix of funding sources?

The Plan of Finance identifies three principal sources of construction funding: State funding through the WSIP, federal funding provided through Reclamation, and Participant funding. Each Participant may fund its allocated share of construction costs by participating in financing arranged by the Sites Authority, self-funding with available cash or separately arranged financing, or using a combination of these approaches. Sites Authority-arranged financing is expected to consist of interim borrowing through short-term notes, commercial paper, or bank loans, followed by long-term financing through WIFIA loans and tax-exempt revenue bonds. The long-term debt would be used to refinance the interim borrowing. The table below shows the mix of funding sources.

Table 7-2. Construction Funding by Source (2027-2035)

	Dollars (billions)	Percent
State of California	\$1.30	13%
Bureau of Reclamation	\$1.60	16%
Participants	\$7.00	71%
Total	\$9.90	100%

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

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 (2026\$) and \$9.9 billion in escalated dollars. Figure 7-5 shows annual expenditures in 2026\$ and escalated dollars. Annual expenditures are forecast to peak in 2031 at approximately \$1.9 billion in 2026\$ 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.

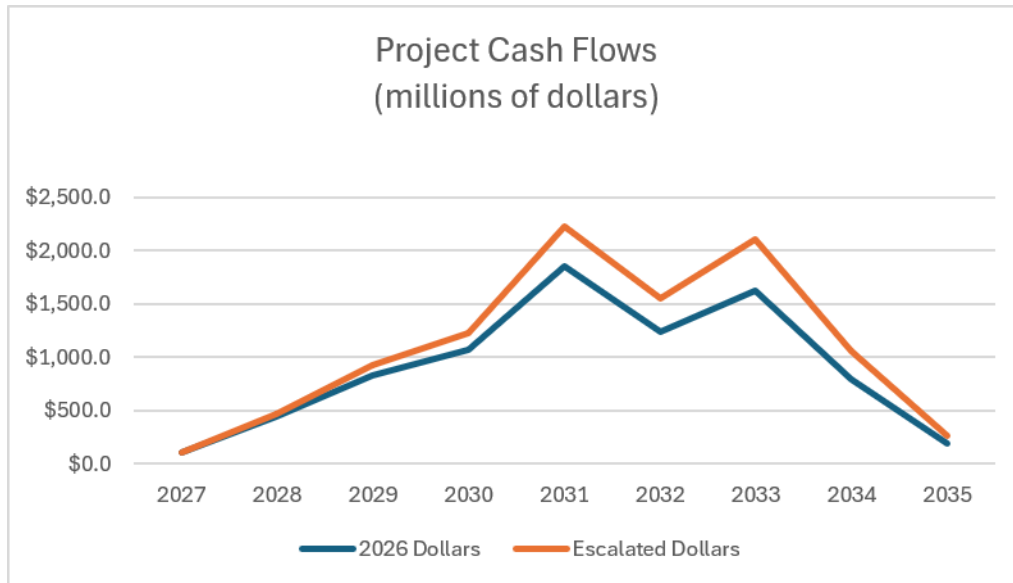


Figure 7-5. Project cash flow: 2027-2035

7.12.4 How are Project costs allocated among Storage Partners?

The Project follows a beneficiary-pays approach, under which costs are allocated based on the facilities and Project benefits attributable to each party—Participants and Reclamation are allocated Base Facilities costs based on their respective Base Facilities Capacity Interests. Costs of the Downstream Facilities are allocated only to the parties that require or benefit from those facilities, based on their respective Downstream Facilities Capacity Interests.

The State’s contribution is provided through the WSIP and is based on the public benefits identified in the Project’s WSIP application, including ecosystem improvements, flood-damage reduction, emergency response, and recreation benefits. Under Proposition 1, the State’s contribution may be used only to reimburse eligible construction costs as those costs are incurred during construction, in accordance with the WSIP Funding Agreement. Because this contribution is provided on a reimbursement basis and is not financed through Sites Authority borrowing, the State will not have an annual debt-service obligation. Costs arising from the ongoing operation of the Project will be addressed separately through the applicable cost allocation and funding arrangements. Fixed O&M costs are allocated among Participants and Reclamation based on their applicable capacity interests and contractual obligations.

Variable O&M costs, including power and conveyance costs, are allocated based on the quantity of water diverted, conveyed, or released on behalf of each party, net of applicable power revenues.

7.12.5 What will Participants’ annual fixed obligations be?

A Participant’s annual fixed obligations will depend on its Base Facilities and Downstream Facilities Capacity Interests and its selected funding approach. The Plan of Finance evaluates three scenarios: interest-only financing during construction, capitalized interest through construction, and pay-as-you-go self-funding.

Participants using debt financing will be responsible for their allocated share of debt service and Fixed O&M costs. Self-funding Participants will pay their share of construction costs as incurred and will not have Sites Authority debt-service obligations for the portion they self-fund; however, they will remain responsible for Fixed O&M costs and other required fixed obligations. Variable O&M costs are separate and will depend on each Participant's actual use of the Project. The Plan of Finance presents the estimated annual fixed obligations for each Participant under the applicable funding approach.

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

All Participants are allocated Base Facilities costs based on their respective Base Facilities Capacity Interests. Participants with Downstream Facilities Capacity Interests are also allocated their respective shares of Downstream Facilities costs. NOD users that do not have a Downstream Facilities Capacity Interest will not pay any Downstream Facilities costs.

Variable O&M costs are allocated based on each Participant's actual use of the Project. Accordingly, SOD Users will also pay the applicable power, conveyance, and wheeling costs necessary to deliver their water downstream.

8.0 What is the Project baseline schedule?

8.1 What is the baseline schedule?

The Project baseline schedule (Attachment B) represents staff's current best understanding of the time required to complete Phase 3 readiness activities, construct and commission the Project facilities, and operate the Project. The Project baseline 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 GMPs are developed.

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

Below is a list of some of the key assumptions used for the baseline 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 2-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 baseline 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 Pumping-Generating Plant
4. TRR PGP
5. Saddle Dams and Dikes
6. Sites Lodoga Bridge

These critical path packages, as well as other near-critical path packages, are sensitive to construction enabling activity progression. Delays in construction enabling activities, including activities packages not listed here, could add time 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 How do Phase 3 (Final Design) and Phase 4 (Construction) Overlap?

The Project baseline 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 (i.e., access roads, haul roads, and detour roads) needed to start 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. These roads will likely take 1 to 2 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 power utilities in performing upgrades so the Project can receive construction grade power or move utility lines within the construction areas.

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.

8.5 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, DWR's Division of Safety of Dams (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.

8.6 Are there seasonal restrictions to the work?

Seasonal conditions and operational constraints affect the timing of certain construction activities in several ways. Below are a few relevant examples:

- **Inclement weather.** Some activities, such as earthwork, are generally more sensitive to inclement weather, particularly when working with fine-grained or clayey materials. Other activities, such as structural concrete work, are generally less affected by wet-weather conditions.
- **Creek flows.** Creek diversion work must be planned around seasonal flow conditions and applicable environmental work windows.
- **Existing facilities.** Work within existing facilities, such as GCID and TCCA canals, must be coordinated with facility operations and, in many cases, performed during the non-irrigation season or other planned operational outages.

- **County right-of-way (ROW) work.** Work affecting existing roads and bridges must be coordinated with the applicable roadway agencies and may be subject to seasonal or other timing constraints.
- **Environmental windows.** Depending on work specifics and the terms of the permits and mitigation plans, certain activities may be constrained by seasonal biological work windows, such as only being allowed to occur in the non-breeding season.

In general, typical and reasonably anticipated seasonal constraints have been incorporated into the baseline schedule, including allowances for normal inclement weather and known operational windows. The baseline schedule does not, however, attempt to account for unusually severe or abnormal conditions, such as major flooding, wildfires, or precipitation beyond normal historical conditions.

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 on 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 (e.g., standby time, delay claims). 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 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 Project 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 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 mitigation strategies that will be implemented to mitigate the risks.

9.1 What are the primary cost risks and how will they managed and mitigated?

The primary cost risks can be broken down in the following categories.

Design changes. Cost risks associated with design changes could occur from (1) increases in the Project's design scope and complexity that are realized as the design and analysis is advanced; (2) unforeseen conditions are identified that result in additional construction effort, including geotechnical and subsurface risks; or (3) increases in scope related to regulatory comments and coordination that impact design requirements. The Project design teams have developed a detailed list of risks and likelihood percentages as a part of the 30% design. The results of these analyses were included in the contingency development on the 30% design cost estimates. This analysis is included as a part of the 30% Total Project Cost Estimate TMs for the Reservoir and Conveyance Packages via link in Section 10.0. In addition to Sites analysis, IRWD independently reviewed the projects risks and contingencies using their own methodologies that validated the governance estimate.

High escalation/interest rates. Costs risks associated with high escalation and/or interest rates compared to assumed rates in the Plan of Finance can have a significant impact on project costs. Additionally, abnormal material price escalation, such as supply chain related shortages, beyond normal market inflation is a risk to the project costs.

Schedule-related cost impacts. Schedule slippage can impact costs via (1) increased escalation associated with work being performed further in the future, (2) extending overhead costs to manage the design and construction, and (3) potentially adding standby costs for crews and equipment.

Environmental/mitigation-related changes. Mitigation costs can be impacted by the availability and timing of mitigation needs. Mitigation requirements are dependent on environmental surveys that define the types and extent of mitigation required. Listing of new species by the wildlife agencies will impact mitigation requirements, mitigated by early engagement and stacking mitigation lands.

The following engineering and construction related activities will be/are being implemented to help mitigate and manage these cost risks:

- Develop contingencies with detailed risk-analysis-related support from engineering experts.
- 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 VE TM (Attachment C to this Baseline Report).
- Perform geotechnical investigations as soon as possible to assess subsurface conditions and refine the contingency assumptions included in the 30% Total Project Cost Estimate TMs for the Reservoir and Conveyance Packages via link in Section 10.0
- 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.
- Procure and select a mitigation contractor early, and coordinate construction needs with the mitigation available via an early mitigation strategic planning process.

In addition to the engineering and construction related activities, the following funding and finance related activities will be/are being implemented to help mitigate and manage these cost risks:

- Complete detailed budget and cash flow management.
- Align Participant contributions with actual Project cash needs to minimize over-drawing Participant funds.
- 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. Update the Plan of Finance regularly and stress-test escalation, interest rates, and construction timing so adjustments can be made before they materially affect Participant contributions.

9.2 What are the primary schedule risks and how will they managed and mitigated?

For 2027 and 2028, the primary risks to the Project baseline schedule are associated with completing key construction-enabling activities, managing a significant increase in project execution complexity, and scaling organizational resources to support a major transition into Phase 3.

The key construction-enabling activities include acquiring necessary lands and access rights, completing biological and cultural resource surveys, obtaining permit authorizations, and securing required

compensatory mitigation. Delays in any of these areas could affect the start or progression of construction activities.

As the Project advances into construction (2028 and beyond), the high degree of concurrency among multiple major subprojects will increase coordination requirements and place greater demands on project management resources. This concurrency demands ongoing coordination as design, permitting, construction, land, and mitigation activities for multiple packages progress. It also introduces the risk that dependent tasks and packages can experience delays from a predecessor package or task. Additionally, this challenge will be compounded by the significant ramp-up in workload that will require the Sites Authority to expand its organization while maintaining alignment among project teams, designers, construction managers, and other delivery partners. Successfully onboarding a substantial number of new resources, including owner's delivery support consultants, the Conveyance CMAR, mitigation contractors, and independent cost estimators, will be essential to maintaining schedule performance.

To mitigate these risks, the Sites Authority is focused on advancing critical path activities in advance of construction needs and ensuring the organization grows in-step with Project demands. Upon receipt of full Project funding, the Sites Authority will scale its staffing and support resources to provide the level of coordination, management, expertise, and leadership required across the multiple active work fronts. The core team of Sites Authority Agents will need to be supplemented with specialized consultants and contractors.

The Sites Authority will also work proactively to stay ahead of construction by advancing key enabling activities, including:

- Land acquisition and access
- Biological and cultural resource surveys
- Permit authorizations
- Tribal consultations
- Environmental Impact Report/Environmental Impact Statement amendments and environmental compliance commitments
- Acquisition of compensatory mitigation lands
- Geotechnical investigations and analyses
- VE analysis
- Design development

To support timely regulatory decisions, the Sites Authority will continue to improve the efficiency of agency reviews through standardized processes, complete and well-organized submittals, and proactive coordination with regulatory agencies.

In parallel, accelerated design development will provide the level of design maturity needed to support construction sequencing, cost development, constructability reviews, and permit reviews and approvals. Continued pursuit of early land acquisition and access opportunities will further reduce schedule risk by enabling the construction-enabling activities to proceed to build a runway for construction.

Finally, early procurement and onboarding of the Reservoir and Conveyance CMARs will strengthen coordination across the Project and provide valuable constructability, cost estimating, and schedule input during design. Their early involvement, coupled with performance-based contractual incentives,

will support proactive issue resolution and help maintain alignment with the baseline schedule. CMAR delivery will also allow for early procurement of major equipment and materials to avoid construction delays.

9.3 What are the primary benefit risks and how will they managed and mitigated

The primary risks affecting Participants' ability to receive Project benefits are largely associated with reliance on the availability and capacity of partner facilities, SWP facilities, the Delta, and other non-Sites facilities, together with uncertainties in future hydrologic and climate conditions.

The Project's dependence on facilities owned and operated by others results in Participants not having direct control over operations, maintenance, and replacement (OM&R) activities that could affect the availability and performance of key conveyance infrastructure. In addition, Facility Use Agreements do not guarantee conveyance capacity when needed, and Project deliveries may be constrained by available capacity within the Tehama-Colusa Canal, GCID Main Canal, Dunnigan Pipeline, lower CBD, Delta export facilities, and other downstream conveyance systems.

Project operations are also subject to physical, hydrological, and operational limitations. These limitations are included in the operational modeling and project performance projections included in the Baseline Report:

- The main I/O facilities cannot simultaneously support reservoir filling and releases; during periods when Sacramento River diversions are available, reservoir filling is prioritized, which may delay otherwise desirable deliveries.
- Conveyance availability may be affected when the Dunnigan Pipeline reaches its physical capacity and real-time exchanges with GCID are fully utilized.
- SOD delivery constraints, including the July through November transfer window, Delta conditions, and the concurrence of both DWR and Reclamation.
- Under the Dry Year Prioritization Scenario, deliveries for SOD Participants may be limited when SWP Table A allocations are below 85 percent.
- SOD deliveries can be limited when the Banks Pumping Plant is operating at capacity, or when no capacity is available in the California Aqueduct during the transfer window. Both the Banks Pumping Plant and California Aqueduct are more likely to be limiting factors during wetter years when statewide conveyance demands are elevated. Deliveries through the North Bay Aqueduct similarly depend on Balanced Conditions within the Delta and DWR concurrence.
- Future climate conditions, hydrologic variability, and potential water and opportunity losses within the lower CBD system may affect the timing, quantity, and reliability of deliveries and other Project benefits available to Participants.

The Sites Authority is undertaking several efforts to evaluate, manage, and mitigate these risks. These measures include completing coordination with RD 108 and developing the associated Operations Agreement scope; preparing OM&R technical memoranda for the TCCA and GCID systems, including documentation of operating practices, maintenance responsibilities, and available monthly capacities; and conducting detailed hydraulic modeling of the Tehama-Colusa Canal, GCID Main Canal, and CBD to assess available conveyance capacity under a range of operational scenarios.

Collectively, these efforts are intended to improve certainty regarding Project performance, identify and address delivery constraints, and support the reliable delivery of Participant benefits over the long term.

10.0 What is the status of Conditions Precedent items and related documents?

Attachment G summarizes the conditions precedent activities that were completed prior to Resolution of Offer of Capacity or that will be completed during Investment Commitment Escrow. Links are provided to these documents locations in Attachment G.

In addition to the items in the Conditions Precedent table in Attachment G, the following supporting documents are available on the Baseline Report web page (<https://sitesproject.org/project-baseline-report/>):

- Conveyance Capacity TM
- 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
- Plan of Finance

Any non-publicly available linked documents will be accessible through the participant portal.

11.0 What are the next steps?

11.1 What are next steps for Participants?

The Authority Board is seeking to pass a resolution to offer capacity interest in conjunction with the issuance of this Baseline Report. If the resolution is executed by the Authority Board, each Participant will receive a B&O Contract for consideration with their home boards. The terms in the contract will reflect the Authority Board's understanding of each Storage Partner's requested capacity interest.

Each home board has the opportunity from receipt of the draft B&O Contract to review it and decide two things:

- Whether it's a "go" or a "no go."
- Whether to maintain their current storage capacity interest or request a change.

The Project's success depends on its Storage Partners. This means:

- Continue to ask the "hard questions" of the Reclamation Committee and the Authority Board.
- Engage with fellow Storage Partners and keep communication open.

Sites Authority Staff will be available to address Participant questions and comments during the investor commitment period and to help direct investors to the resources that provide answers to the Participant questions. Submitting questions to admin@sitesproject.org will facilitate expedited and documented

responses that will be tracked and committed out in monthly Board meetings, as appropriate, to other Participants. Submitting questions via email will also support Sites Authority Staff providing efficient, consistent, and effective answers to Participant questions.

11.2 What are next steps for the Sites Project?

Sites Authority Staff is and will continue to shift focus on the development and refinement of Phase 3/4/5 priorities. Development of the Phase 3/4/5 strategic plan, key goals, and optimal timing of the Resolution to Construct will be discussed in the fall of 2026 and into 2027. Additionally, the Sites Authority will continue to advance procurements for the Conveyance CMAR Contractor, Mitigation Contractor, and Owner Delivery Support. These critical resources are key parts of the Sites Authority organization ramping needed for the Final Design and construction Phases of the Project.

12.0 References

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- Sites Project Authority and U.S. Department of the Interior, Bureau of Reclamation. 2023. Sites Reservoir Project Final Environmental Impact Report/Final Environmental Impact Statement (SCH No. 2001112009)., Maxwell, CA, and Sacramento, CA. November.
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- Sites Project Authority. 2026. Draft Reservoir Operations Plan, Version 3.0, September 15, 2026.
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13.0 Abbreviations and terms

Abbreviation	Definition
2024\$	Constant 2024 dollars
AACE	Association for the Advancement of Cost Engineering
AF	acre-foot/acre-feet
Authority Board	Joint Powers Authority (JPA) Board of Directors
B&O	Benefits and Obligations
CBD	Colusa Basin Drain
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
cfs	cubic feet per second
CMAR	Construction Manager at Risk
CVP	Central Valley Project
CVPIA	Central Valley Project Improvement Act
CWC	California Water Commission
CY	cubic yards
Delta	Sacramento-San Joaquin Delta
DSOD	Division of Safety of Dams
DWR	California Department of Water Resources
GCID	Glenn-Colusa Irrigation District
GMP	guaranteed maximum price
GSA	groundwater sustainability agency
I/O	inlet/outlet
ITP	Incidental Take Permit
JPA	Joint Powers Authority
M&I	Municipal and industrial
MCED	Maximum Conditional Eligibility Determination
NEPA	National Environmental Policy Act
NOD	north of Delta
O&M	operations and maintenance
OM&R	Operations, maintenance, and replacement
Operations Plan	Sites Reservoir Operations Plan
PGP	pumping-generating plant
PPIC	Public Policy Institute of California
Project	Sites Reservoir Project
R&R	repair and replacement
RD108	Reclamation District 108
Reclamation	Bureau of Reclamation, an entity within the U.S. Department of the Interior
ROW	Right-of-way
SB	Senate Bill
SGMA	Sustainable Groundwater Management Act
Sites Authority	Sites Project Authority
SOD	south of Delta
SWP	State Water Project
TAF	thousand acre-feet
TCCA	Tehama-Colusa Canal Authority

Abbreviation	Definition
TM	Technical Memorandum
TRR	Terminal Regulating Reservoir
WA	Water Agency
WD	Water District
WIFIA	Water Infrastructure Finance and Innovation Act
WSD	Water Storage District
WSIP	Water Storage Investment Program
WYT	Water Year Type
U.S.	United States
VE	Value engineering
YOE	year of expenditure

[Note: Capitalized terms used in the definitions below are defined in the Sites Reservoir Operations Plan, v3.0, dated September 15, 2026.]

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 Condition 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 Condition is determined by DWR and Reclamation.

Base Facilities: The Sites owned facilities or other facilities available to all Storage Partners including those listed in the Project Specific Information of each Storage Partner’s respective contract, as modified from time to time.

Base Facilities Capacity Interest: The undivided capacity right of each Storage Partner to (i) 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 (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 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 the Participants and the Bureau of Reclamation, this term means Funks Reservoir, the Terminal Regulating Reservoir, or the downstream confluence with the Sacramento River Knights Landing Outfall Gates, and shall be specified by each Storage Partner in its Release Request. The Delivery Point under the Contracts for Administration of Public Benefits are specified in those contracts.

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.

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.

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 this 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, by and among the parties set forth on the execution page thereof, as amended and supplemented from time to time.

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.

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.

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.

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, 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): The entire physical infrastructure and capital improvements to be designed, constructed, commissioned and completed or contracted for use by the Authority, including the facilities owned by the Authority and the facilities utilized under Partner Agreements, as reflected in the Project Specific Information of each Storage Partner’s respective contract, 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.

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.

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.

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	\$1,442,000,000	\$1,442,000,000	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	

Contingency Summary

Cost Estimate Components	Management Contingency (A)	Governance Contingency (B)
Reservoir & Conveyance <i>Geotechnical</i> <i>Design/Regulatory</i> <i>Construction</i>	\$517,900,000 <i>\$141,500,000 (50%)</i> <i>\$376,400,000 (100%)</i> <i>\$0 (0%)</i>	\$612,800,000 <i>\$141,500,000 (50%)</i> <i>\$0 (0%)</i> <i>\$471,300,000 (100%)</i>
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	2026				2027				2028				2029				2030				2031				2032				2033				2034				2035				2036				2037				2038			
				Q2	Q3	Q4	Q	Q2	Q3	Q4	Q1	Q	Q3	Q4	Q1	Q	Q3	Q4	Q1	Q2	Q3	Q	Q1	Q2	Q3	Q4	Q	Q2	Q3	Q4	Q1	Q	Q3	Q4	Q1	Q2	Q3	Q4	Q	Q2	Q3	Q4	Q	Q2	Q3	Q4	Q1	Q	Q3	Q4					
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			Land Acquisitions																																																
4	Permit Authorizations & Consultations		13.Jan.25 A	20.May.30			Permit Authorizations & Consultations																																																
5	60% Design		01.Jun.26 A	03.May.29			60% Design																																																
6	100% Design		04.Jan.27	21.Aug.30			100% Design																																																
7	Mitigation Land		30.Sep.27	16.Sep.31			Mitigation Land																																																
8	Construction		31.Dec.27	20.Dec.34																																																			
9	Golden Gate Dam Construction		31.Dec.27	29.Mar.34			Golden Gate Dam Construction																																																
10	Sites Dam Construction		15.Sep.28	16.Jun.34			Sites Dam Construction																																																
11	Inlet/Outlet Construction		04.May.29	09.Feb.32			Inlet/Outlet Construction																																																
12	Red Bluff Pumping Plant Construction		01.Nov.29	14.Oct.30			Red Bluff Pumping Plant Construction																																																
13	Saddle Dams, Dikes, Spillway Construction		03.Jun.30	17.Nov.34			Saddle Dams, Dikes, Spillway Construction																																																
14	Funks Site Construction		11.Jul.30	23.Mar.34			Funks Site Construction																																																
15	Individual Facilities' Commissioning		15.Oct.30	22.Nov.34			Individual Facilities' Commissioning																																																
16	Point of Interconnection Substation Construction		06.Nov.30	01.Dec.32			Point of Interconnection Substation Construction																																																
17	TRR Site Construction		13.Feb.31	10.Jan.34			TRR Site Construction																																																
18	Dunnigan Pipeline Construction		04.Jun.31	20.May.33			Dunnigan Pipeline Construction																																																
19	Sites Lodoga Road & Bridge Construction		24.Sep.31	25.Jul.34			Sites Lodoga Road & Bridge Construction																																																
20	GCID Improvements Construction		11.Nov.31	28.Dec.33			GCID Improvements Construction																																																
21	Huffmaster Road Construction		18.Dec.31	06.Dec.33			Huffmaster Road Construction																																																
22	Recreation Areas Construction		11.Jan.33	20.Dec.34			Recreation Areas Construction																																																
23	Operations		20.Nov.34	06.Jul.35																																																			
24	Construction Substantially Complete / Ready for Filling			20.Nov.34			◆ Construction Substantially Complete / Ready for Filling																																																
25	Initiate Reservoir Commissioning & First Season of Filling		21.Nov.34	06.Jul.35			■ Initiate Reservoir Commissioning & First Season of Filling																																																
26	Construction Final Completion (Start of Phase 5 Operations)			06.Jul.35			◆ Construction Final Completion (Start of Phase 5 Operations)																																																

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.

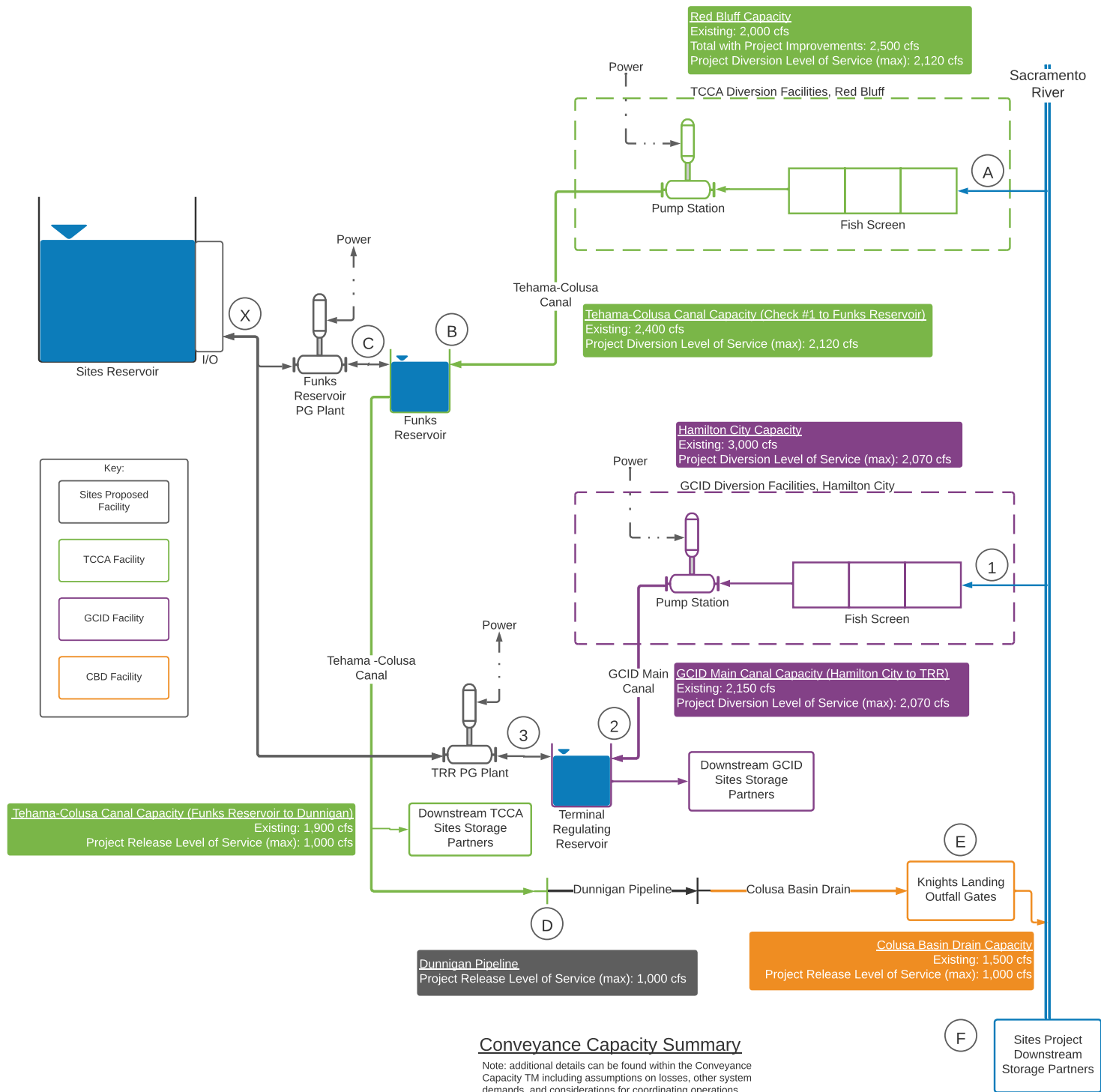
Table 2 – Items without Quantified Potential Savings

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.
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Attachment D: Conveyance Capacity Summary

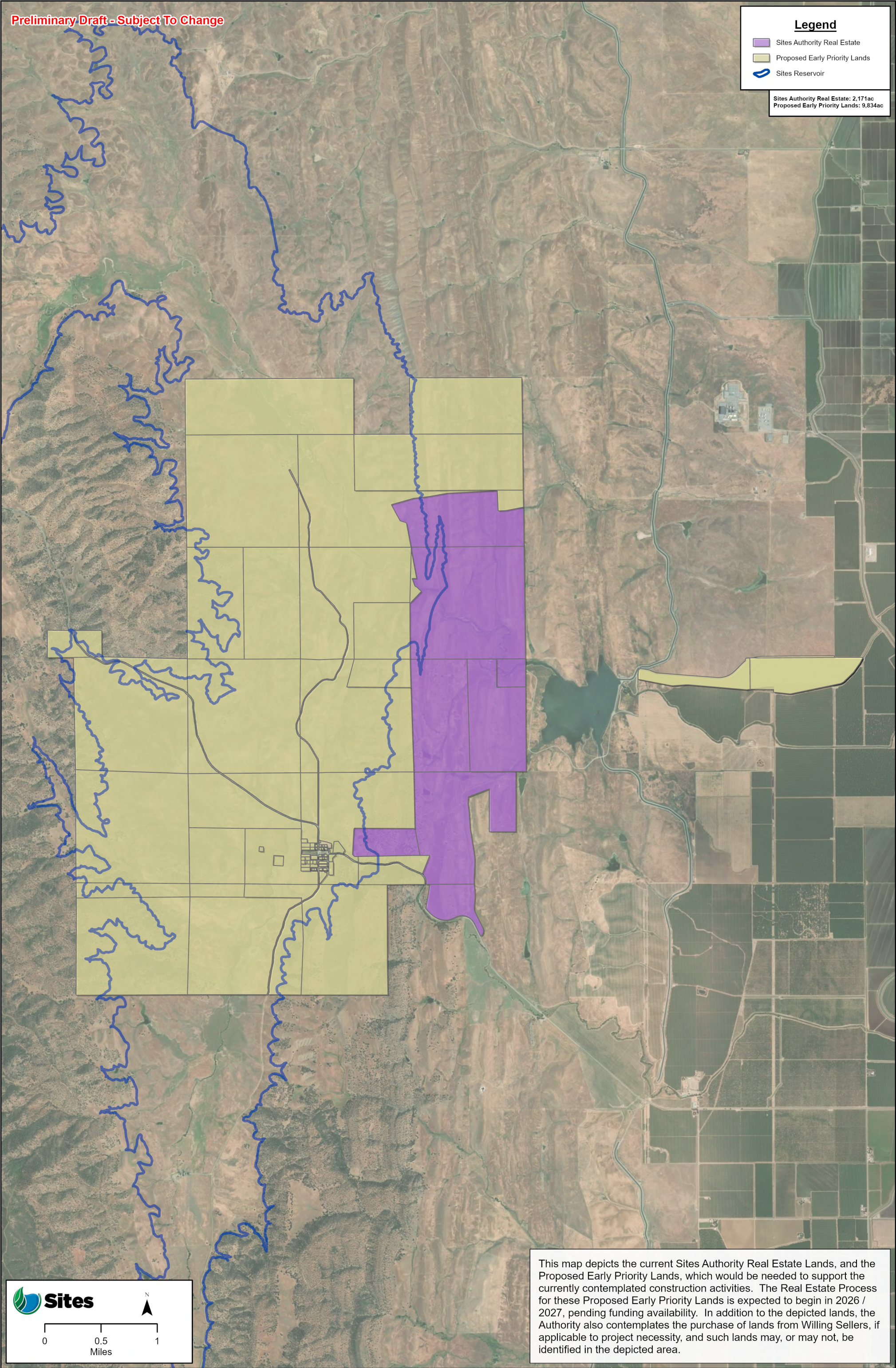
Attachment D, a summary of conveyance capacity, follows this page.



Attachment E: Real Estate Summary

Attachment E, a real estate summary, follows this page.

Sites Reservoir Project - Real Estate



Attachment F: Loss Assumptions Summary

Attachment F, the Loss Assumptions Summary Table follows this page.

Loss Assumptions Summary Table

Facility Use	Facility	Modeled Loss
Diversion Conveyance	TC Canal	1%
	GCID Main Canal (November-March)	2%
	GCID Main Canal (April-June)	13%
Reservoir	Reservoir Evaporation*	~ 10 to 12%
	Seepage/other	1 to 2%
Delivery Conveyance	Dunnigan Pipeline	None modeled
	Lower CBD	None modeled
	NOD Deliveries	None modeled
	TC Canal	1%
	Delta Carriage Water Losses	27-28%

See Baseline Report Section 5.8.2 for additional details related to loss assumptions and how they are incorporated into the Project.

*Calculated in CalSim 3

Attachment G: Conditions Precedent Document Links Summary

The table below provides link locations of the condition precedent documents.



Attachment G: Condition Precedent Documents Links Summary

The documents listed below will be added to the linked locations as completed.

Document	Link to Document Location
Contract and Supporting Documents:	
Benefits and Obligations Contract	https://sitesproject.org/agreements/
Phase 3, 4, 5 Bylaws	https://sitesproject.org/agreements/
Amended Joint Exercise of Powers Agreement	https://sitesproject.org/agreements/
Sites Reservoir Operations Plan (Version 3)	https://sitesproject.org/agreements/
Actions:	
CEQA Notice of Determination	https://sitesproject.org/environmental-review/
NEPA Record of Decision	https://sitesproject.org/environmental-review/
Class 3 Cost Estimates	<i>Available on the Project Baseline Report webpage</i>
Updated Plan of Finance Forecast Tables	<i>Available on the Project Baseline Report webpage</i>
Resolution to Offer Capacity & Service	https://sitesproject.org/agreements/
Permits and Approvals:	
Water Right decision by SWRCB	https://sitesproject.org/permitting/
State Construction and Operations Incidental Take Permits	https://sitesproject.org/permitting/
Federal Project Construction Biological Opinion	https://sitesproject.org/permitting/
Federal Programmatic Operations Biological Opinion (Step one)	
National Historic Preservation Act – Section 106 Programmatic Agreement	https://sitesproject.org/permitting/

DSOD Confirmation of Dam Design Criteria	https://sitesproject.org/permitting/
County Developer Agreements (Colusa, Glenn, and Yolo)	https://sitesproject.org/agreements/
Clean Water Act – Section 401	https://sitesproject.org/permitting/
Clean Water Act – Section 404	https://sitesproject.org/permitting/
Memoranda of Understanding related to CEQA Compliance and Air Board permits	https://sitesproject.org/permitting/
Master Lake and Streambed Alteration Agreement	https://sitesproject.org/permitting/
Executed Agreements:	
Facilities Use Agreements – TC Canal System	https://sitesproject.org/agreements/
Facilities Use Agreements – GCID System	https://sitesproject.org/agreements/
RD 108 Operations Agreement for Lower Colusa Basin Drain Operations	https://sitesproject.org/agreements/
Excess Capacity Agreement with Reclamation	https://sitesproject.org/agreements/
Lower Colusa Basin Drain System Term Sheets	https://sitesproject.org/agreements/
Operating Agreement with DWR and Reclamation	https://sitesproject.org/agreements/
Lower Colusa Basin Drain - Additional Information for Investor Commitment	<i>The Baseline Report webpage will include a link to the Conveyance Capacity TM that covers the technical Lower CBD items.</i> The Letter of Mutual Understanding was completed in spring of 2026 and can be provided if requested.
o Letter of Mutual Understanding	
o Technical Memorandum – Use of Lower Colusa Basin Drain vs. extending the Dunnigan Pipeline to the Sacramento River	
o Add assumption for losses in CBD to operations model	
o Develop itemized cost estimate for CBD improvements rather than using a contingency (refined)	
o Verify that modeled local facility capacity is adequate and understand opportunities for increased capacity at times to accommodate planned Sites releases	
Conditions To Occur During Investor Commitment Escrow:	



B&O Contract executed by all parties	https://sitesproject.org/agreements/
Final Public Benefit Agreements with CDFW and DWR	https://sitesproject.org/agreements/
Donation Agreement with Reclamation for Pumping and Conveyance of Incremental Level 4 Refuge Water	
Exchange Agreement with DWR	
MOU with Water Agencies conveying NOD Refuge water	
Prop 1 Resolution of Final Award by CWC	https://sitesproject.org/agreements/
Final Prop 1 Funding Agreement executed by CWC Staff	https://sitesproject.org/agreements/
Partnership Agreement with Reclamation	https://sitesproject.org/agreements/
Reimbursement Agreement within the CVP for Sites Project costs	Reclamation has determined this to be not necessary at this time
Execution of Loan Agreements for Project Financing	https://sitesproject.org/agreements/

Attachment H: Summary of CalSim 3 Modeling Assumptions

A summary of CalSim 3 modeling assumptions follows this page.

To be provided in Final Posted PBR

Comment Source	Commenter	Section(s) or Topic(s)	Comment	How addressed	Status
Bd mtg 20260724	Weghorst, others	Benefits	Characterize the emergency water component as both a public benefit and a benefit to the Participants.	Section 3.3.2 Updated	Addressed
Bd mtg 20260724	Smalls	Benefits	Add commentary about how the reservoir provides access to a new transfer and exchange market.	Addressed in Sections 5.7 and 6.5 and many other locations.	Addressed
Bd mtg 20260724	Plinski	Benefits	Provide more info on limitations/constraints on filling, releases, and deliveries, including environmental protections and their effects on operations.	Ops Plan; 5.2, 5.8.5	Addressed
Bd mtg 20260724	Cheng	Water delivery modeling	Better define "releases and transfers" vs. "deliveries and transfers."	Text added to Section 5.8.2 to address this comment.	Addressed
Bd mtg 20260724	Weghorst	Water delivery modeling	Provide a TM on the CalSim modeling as an attachment to the BR.	Will be Attachment H. CalSim3 model runs will be available on participant portal	Addressed
Bd mtg 20260724	Kunde	Water delivery modeling	Operational exchanges: include a TM that describes losses; Sec 5.7 should reference a table by Participant in an attachment under baseline and top speed ("what's <i>my</i> number?"; want to see annual outputs from the CalSim model, not just averages [as an attachment]).	CalSim3 model outputs will be availabe on Participant Portal	Addressed
Bd mtg 20260724	Navarrot	Cost savings	Provide a description of the savings that have been realized by using existing facilities [value planning efforts?].	Added new Sec. 4.2.	Addressed
Bd mtg 20260724	Weghorst	Risk management summary	Provide a summary of risks and mitigations that's easy to communicate to home boards.	Added new Sec. 9	Addressed
Bd mtg 20260724	Sutton	Facilities	State clearly that CBD will be a future decision.	Added paragraph to Section 4.1	Addressed
Bd mtg 20260724	Smalls	PoF	Provide the "1%" table in an attachment.	We are not providing this.	Addressed
Bd mtg 20260821	Weghorst	Sec 3.1; Attachments/Links	Add attachment w/ details of CalSim modeling.	See Attachment H for summary and Participant Portal for model runs	Addressed
Bd mtg 20260821	Weghorst	Attachments/Links	Add a reference to the location of the detailed model runs' output for "top speed" and "dry year prioritization."	Will be available on participant Portal	Addressed
Bd mtg 20260821	?	Table E-1	Add a variable O&M cost line; consider what this number includes on an average basis, or a range.	Refers readers to PoF Table 3	Addressed
Bd mtg 20260821	Neudeck	Sec E-1? Sec 5.7?	Add 1-year and 3-year maximum deliveries during a drought.	Not a metric we have reported.	Closed w/ no changes.
Bd mtg 20260821	Neudeck	Attachments/Links	Add links to reference documents that support approach taken (to model deliveries?).	Supporting documents made available.	Addressed
Bd mtg 20260821	Kunde	5.7 [transfer and delivery]	Add discussion of carriage losses, confirm carriage loss percentage (23%?).	Described on p. 45.	Addressed
IRWD PBR Redline Commments	IRWD	Attachments/Links	Please include the Plan of Finance as an Attachment.	POF will be provided as a linked document (not attachment)	
IRWD PBR Redline Commments	IRWD	Executive Summary	This executive summary has some issues and needs to be revised to: Summarize the entire breadth of the document. The sections of the Executive Summary (E1, E2, E3, E4, and E5) sections seems to only summarize chapters 3, 7,8, and 9 of the report. The other chapters should be summarized in the executive summary as well.	Executive Summary revised.	Addressed
IRWD PBR Redline Commments	IRWD	Global	Instead of "Partners", the correct term is "Storage Partners", who are defined as Participants, State and Bureau.	Fixed per comment.	Addressed
IRWD PBR Redline Commments	IRWD	Table E-1	This table of metrics is filled with jargon (e.g., Top Speed, Dry Year Prioritization, Management Estimate, Governance Estimate). Please insert footnotes that explain what these metrics are and why they are important and a include a reference to the part of the report where these metrics are more fully explained.	Added a footnote that references the sections that explains each	Addressed
IRWD PBR Redline Commments	IRWD	Table E-1	For "New Water Storage:" Please replace with 1.41 million acre-feet.	Fixed per comment.	Addressed
IRWD PBR Redline Commments	IRWD	Global	Please refer to the parts of the baseline report as Chapters or Sections but not both.	Fixed per comment.	Addressed
IRWD PBR Redline Commments	IRWD	Table E-2	Please keep the reporting of these release/ delivery flow rates consistent between reports. Participants recently received similar data as a combined "dry and critical" category instead of separate categories for dry and critical.	Tables and text revised	Addressed
IRWD PBR Redline Commments	IRWD	Section E-2, 2nd para	Please insert a sentence that explains the practical difference between a governance and management estimate. Suggest: "A management cost estimate covers the day-to-day work of running a project, while a governance cost estimate covers the oversight and compliance rules that keep the project aligned with business goals."	Text Added	Addressed
IRWD PBR Redline Commments	IRWD	Section E-2, 2nd para	The governance contingency also includes geotechnical uncertainty. Please explain how these geotechnical risks differ in the governance and management contingencies.	Text Added	Addressed
IRWD PBR Redline Commments	IRWD	Section E-3, para 3	Please explain how the State pays for Fixed Project costs, Fixed O&M, annual debt service, and variable O&M.	Text added on p. 12	Addressed

IRWD PBR Redline Comments	IRWD	Section 2.4, first para	Replace [bulleted list] with a Table providing key information on each Participant (e.g., NOD or SOD, storage, base/downstream facilities capacity interest).	Not going to do that b/c this info will change.	Closed w/ no changes.
IRWD PBR Redline Comments	IRWD	Table 3-1	Define PWA	Note added below table	Addressed
IRWD PBR Redline Comments	IRWD	Figure 4-1	Please add another Figure that has the downstream facilities.	4-1 updated to include downstream facilities	Addressed
IRWD PBR Redline Comments	IRWD	Section 5.2	Place insert a summary table of the diversion criteria from the Operations Plan in this Section.	Added new table 5-1	Addressed
IRWD PBR Redline Comments	IRWD	Section 5.7	Please include, in an attachment, the final versions of the delivery/release data for top speed/DYP for each Storage Partners.	CalSim output available on P Portal	Addressed
IRWD PBR Redline Comments	IRWD	Section 5.7.3	When describing these tables, please explain why the release and deliveries are the same for State and NOD Partners.	Text added	Addressed
IRWD PBR Redline Comments	IRWD	Section 6.1, last sentence	Change to "amount of water the Storage Partner has in storage that day".	Incorporated per comment	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.0	Please develop a rough overall estimate of \$/AF to allow us to compare to alternatives to Sites based on Top Speed and Dry Year Prioritization Scenarios.	There are too many variables to provide an estimated overall water cost in \$/AF.	Closed w/ no changes.
IRWD PBR Redline Comments	IRWD	Section 7.0, second para	Please clarify if this \$518 million is the same or different than the Management Contingency mentioned in the next paragraph.	Text added	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.6, last sentence	Add "(i.e., estimate)" after the word "work"	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.6, last sentence	Add "(i.e., forecast)" after the word "escalation"	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.10	Add a few sentence briefly describing one or two of these opportunities and their potential cost reductions.	Added details to this section and table	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.11, 4th para, 2nd sentence	change to "dry year supply (i.e., Dry Year Prioritization scenario)"	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.11, 4th para, 2nd sentence	change to "enhance yield (i.e., Top Speed scenario)"	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.12.4, last para	Please explain how the State pays for Fixed Project costs, Fixed O&M, annual debt service, and variable O&M.	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 7.12.6	Please keep the nomenclature consistent: instead of upstream/downstream users, refer to groups as NOD/SOD	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 8.3, second para	Paraphrased: Match "package(s)" to verb form	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 8.3, third para	Delete extra period	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 8.4 and 8.5	Please combine questions 8.4 and 8.5 since they seem very similar.	Comment incorporated	Addressed
IRWD PBR Redline Comments	IRWD	Section 8.6	Please address if there are or aren't seasonal limitations to construction.	Section 8.6 was added to the PBR to address this comment.	Addressed
IRWD PBR Redline Comments	IRWD	Section 9.1	Please indicate if this list of cost risks is in some order (e.g., in order of decreasing risk)	Section 9 has been updated and comment is no longer applicable to revised text. The cost risks were not and are not presented in an order of magnitude.	Addressed
IRWD PBR Redline Comments	IRWD	Section 9.4	Please indicate if this list of cost risks is in some order (e.g., in order of decreasing risk)	Section revised, comment no longer directly applicable.	Addressed
Wheeler Ridge Emailed Comments	Wheeler Ridge	Staff memo request	a. In the staff memo: <i>“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.”</i> This depends on the affordability of the Project to the Grower Participants in Wheeler Ridge which will not be known until October. Based on the current draft water right (not the revised September 3 draft), the Grower Participants have all indicated the Project is not affordable for agriculture, and therefore the Wheeler Ridge Staff recommended participation level would be zero. This may change once the September 3 draft water right is incorporated into the Project Baseline Report.	Noted; no change needed.	Closed w/ no changes.

Wheeler Ridge Emailed Comments	Wheeler Ridge	Attachment F	b. In the “Loss Assumptions Summary Table”, I request an explanation of the listed 23% carriage loss, because the 2011-2023 average carriage loss 27% based on actual carriage losses assessed to non-Project water delivered to Wheeler Ridge. See the attached file. Where is this table / file? The 23% is low and I am not sure where that came from. But I do not see this in the report.	Attachment F updated to incorporate comment.	Addressed.
Wheeler Ridge Emailed Comments	Wheeler Ridge	Section 5.7.1 in draft PBR	c. In the “Sites Project Baseline Report - July 24, 2026 Board Direction – Comment Response Matrix”, item 5. therein, a placeholder in 5.7.1 is noted for the detailed model runs output since the description is still in development. Sites Participants will need access to the actual outputs from the CALSIM hydrologic period by month and year. This can be done by a link in the text, an Appendix, and/or a reference in Section 11. We will load final modeling in the Participant Portal. There should not be a link in the Report as the Participant Portal is not public. But we can identify this in the staff report or something.	Concur. Will be available on the P Portal.	Addressed.
Wheeler Ridge Emailed Comments	Wheeler Ridge	Section 3.3.2	d. The comment of Irvine Ranch WD at the July Board meeting was to describe the Emergency Drought Water Plan as a benefit both to the state and member agencies (see Sec 3.3.2). It does not appear this has been incorporated. I added a sentence on this to 3.3.2	Text added/revised.	Addressed.
Wheeler Ridge Emailed Comments	Wheeler Ridge	Release/delivery tables	e. Also at the July Board meeting, it was requested that water quantities in the PBR distinguish between releases (at Funks) and deliveries (after losses e.g. at KLOG and Banks Pumping Plant. It does not appear this has been incorporated. This will be included as there will be release tables and delivery tables in the final report.	Releases v deliveries represented in several tables.	Addressed.



Meeting: **Reservoir Committee & Authority Board Agenda
Item 2.4**

September 18, 2026

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

Requested Action:

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

Detailed Description/Background:

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

- Incorporate Zone 3 consolidation voting recommendations: The Governance Ad Hoc recommended language has been incorporated into the Bylaws and the B&O accordingly.
- Financing Options - Participant interest in the flexibility to elect WIFIA financing without participating in revenue bond financing led to recommended revisions clarifying this and other similar scenarios can only occur if such election does not lead to ratings downgrade and potential added financing costs on remaining financing Participants.
- Completion of a final consistency review: Staff 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; and (iii) broad FUA conforming changes.
- No substantive changes were made to the JPA or the Operations Plan.

Remaining Steps

- Incorporate Project Alignment Ad Hoc recommendations: The Project Alignment Ad Hoc has met a total of four times since its July 24, 2026 formation. No recommendations have been reached; however, the group continues to explore options and believes it may be possible to reach tentative agreement among the group. If so, the recommendations would be brought for Board consideration next month.

Prior Action:

August 2026: Receive and comment on the August 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.

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 – Final Draft Benefits and Obligations Contract
Attachment B – Phase 3/4/5 Bylaws
Attachment C – Joint Powers Agreement
Attachment D – Sites Reservoir Operations Plan

[Note: The Benefits and Obligations Contract is being provided as a ~~penultimate~~final 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~~September 15, 2026]

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Sites Project Authority – Benefits & Obligations Contract – Sites Reservoir Project

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Appendix 8	Initial Sites Operations Plan
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); and
- (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 PartnersParticipants and Reclamation 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, 6.13.26.13.26.12.2, 8.1.1, 8.2.1, 10.3.2, 10.3.6, Error! Reference source not found.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 solely in its capacity under the Contract for Administration of Public Ecosystem Benefits) 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, Notwithstanding the foregoing, any wheeling fees attributable to Available Downstream Capacity provided by the State solely in its capacity under the Contract for Administration of Public Ecosystem Benefits shall be retained by the Sites Authority and applied as a credit against Fixed O&M Costs otherwise payable by the Participants under Section 6.6.

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. Notwithstanding the foregoing, any wheeling fees attributable to Available Downstream

Capacity provided by the State solely in its capacity under the Contract for Administration of Public Ecosystem Benefits shall be retained by the Sites Authority and applied as a credit against Fixed O&M Costs otherwise payable by the Participants under Section 6.6.

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 and Other Revenues

4.7.1 To the extent power, ~~or energy or other services~~ are generated by Project Facilities, sales of such power, ~~or 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, ~~or 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. Notwithstanding the foregoing, revenues attributable to power or energy generated from Water released to provide benefits under the Contract for Administration of Public Ecosystem Benefits shall not be allocated or paid to the State and shall instead be retained by the Sites Authority and applied first to offset Variable O&M Costs and then to offset Fixed O&M Costs otherwise payable by the Participants.

4.7.2 Any revenues received by the Sites Authority from the sale, lease, license, or other use or disposition of Project Assets, including excess real property, mitigation credits, grazing rights, or similar interests, shall be retained by the Sites Authority and applied first to the costs associated with generating or administering such revenues and then to offset Fixed O&M Costs otherwise payable by the Participants; provided that any sale or other disposition of Project

Assets shall be subject to Applicable Law, Governmental Approvals, the State and Federal Contracts, and any applicable Financing Agreements.

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); and

(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.

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.

5.3.3 No Financing Participant shall be permitted to prepay its Financing Obligations with respect to an outstanding Project Obligation if such prepayment, in and of itself, shall cause a reduction in any of the then-current bond credit ratings of any outstanding Project Obligations that were sold in the public capital markets, as reasonably determined by the Sites Authority

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.

5.4.6 Notwithstanding a Participant's compliance with the self-funding election provisions of Section 5.4, a Participant that was previously a Financing Participant with respect to a prior Project Obligation shall not be permitted to be a Self-Funding Participant for the purpose of funding Fixed Project Costs that will be funded in part with proceeds of a subsequent Project Obligation to be sold in the public capital markets if such Participant's election to be a Self-Funding Participant, in and of itself, shall result in the bond credit rating on such proposed Project Obligation to be sold in the public capital markets to be lower than any of the then-current bond credit ratings of the then-outstanding Project Obligations that were sold in the public capital markets, as reasonably determined by the Sites Authority.

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 4530 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:

$$FO = [BFO \times BFPP] + [DFO \times DFPP]$$

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:

$$FPC = [BFC \times BCI] + [DFC \times DCS]$$

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:

$$\text{FOMC} = [\text{BFOMC} \times \text{BCI}] + [\text{DFOMC} \times \text{DCS}]$$

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:

$$\text{VOMC} = [(\text{PWP} / \text{TWP}) \times \text{BPVOMC}] + [(\text{PWR} / \text{TWR}) \times \text{BRVOMC}] + [(\text{PWRD} / \text{TWRD}) \times \text{DVOMC}]$$

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~~CWC 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~~CWC 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~~CWC 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~~CWC 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~~the applicable Capacity Interest in each of the Base Facilities and/or Downstream Facilities as calculated 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, days 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~~Operarions 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 8.28.2.

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~~11.1.1 or Section ~~11.2~~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.

**SITES PROJECT JOINT POWERS
AUTHORITY**

By: _____
Name:
Title:

By: _____
Name:
Title:

[INSERT PARTICIPANT]

**STATE OF CALIFORNIA DEPARTMENT
OF WATER RESOURCES**

By: _____
Name:
Title:

By: _____
Name:
Title:

[INSERT PARTICIPANT]

**GENERAL COUNSEL TO THE STATE OF
CALIFORNIA DEPARTMENT OF WATER
RESOURCES**, as to form and sufficiency

By: _____
Name:
Title:

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 (“CAPB Contracts”): 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~~ associated 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)~~ Board 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]

Participants, Address for Notices and Delivery Point Section 15.3	Participant	Notice Details	Delivery Point	Payment Election
	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 Geronio 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 Geronio Pass WA Santa Clarita Valley Water Agency			
<u>Zone 3 Participants</u>	<u>Colusa County Water District</u>			

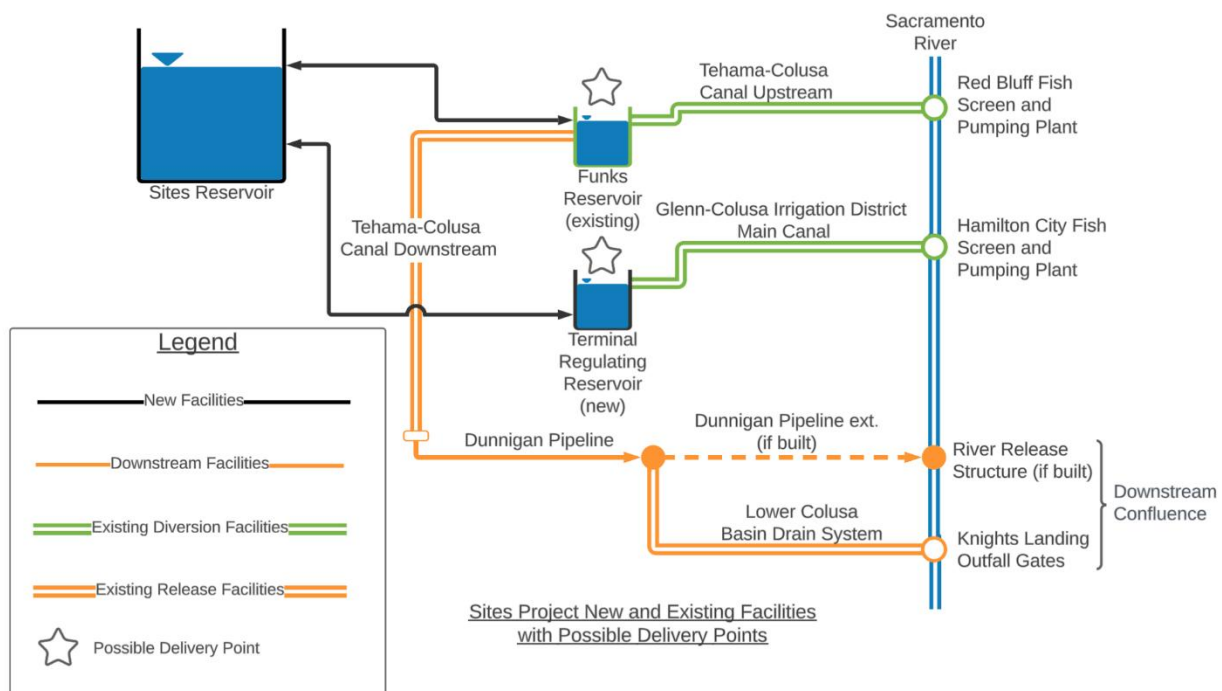
	<u>Cortina Water District, Davis Water District</u> <u>Dunnigan Water District</u> <u>LaGrande Water District</u> <u>Westside Water District</u>		
Sites Authority Payment Information	☐ [Note: To be inserted]		
Participant Capacity Interest Appendix 1 [Note: Percentages to be completed based on the final 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	Participant	Base Facilities Financing Participation Percentage	Downstream Facilities Financing Participation Percentage
[Note: Financing Participation]	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]

Percentage to be completed with each Sites Financing.]	[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 Contract

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 Allocation, Storage and Release of Water

- 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: _____
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Title:
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[INSERT SWP PARTICIPANT]

By: _____
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Title:
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[INSERT SWP PARTICIPANT]

By: _____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

By: _____
Name:
Title:
Date:

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Summary report: Litera Compare for Word 11.9.1.1 Document comparison done on 9/14/2026 10:42:36 PM	
Style name: Sites Single Color	
Intelligent Table Comparison: Active	
Original filename: Base Benefits and Obligations Contract (August 17 - Board Version).docx	
Modified filename: Benefits and Obligations Contract (September 15 Board Version) (1).docx	
Changes:	
<u>Add</u>	59
Delete	59
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	119

**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.]

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.

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.

- 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:
122 Old Highway 99 West
Maxwell, CA 95955

Mailing Address:
P.O. Box 517
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 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.

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.

[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: _____

(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

Dated: _____
(Effective mmm dd, yyyy)

By: _____

WESTSIDE WATER DISTRICT

Dated: _____
(Effective mmm dd, yyyy)

By: _____

DRAFT

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

Reclamation District 108
General Manager
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Chair of the Board of Supervisors
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Colusa, CA 95932

Sacramento County Water Agency
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Sacramento, CA 95814
& City of Sacramento
915 I Street
Sacramento, CA 95814

County of Glenn
Chair of the Board of Supervisors
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Willows, CA 95988

Tehama-Colusa Canal Authority
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Glenn-Colusa Irrigation District
General Manager
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Willows, CA 95988

Western Canal Water District
General Manager
PO Box 190
Richvale, CA 95974

Placer County Water Agency
PO Box 6570
Auburn CA 95604
& City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

Westside Water District
General Manager
5005 CA-20
Williams, CA 95987



Reservoir Operations Plan

Version 3.0

September 18, 2026

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Version History

Version	Description	Date of Revision	Key Changes From Prior Version
1	Draft	1/17/2022	--
2.0	Draft; Not approved by Authority Board	5/24/2024	Once finalized, will supersede and entirely replace Version 1; Refers and utilizes the Project adopted by the Authority Board in November 2023; Prepared for the Sites Water Right proceeding process
2.1	Draft; Not yet approved by Authority Board	5/12/2025	Once finalized, will supersede and entirely replace Version 1 and 2.0. Builds upon Version 2.0 to include more information relative to Storage Partner benefits and how those are realized in actual operations. Updated to reflect the Oct 2024 Operations ITP conditions and additional proposed water right terms through the date of release of this document. A preliminary draft of V2.1 was provided for review by the Operations and Engineering Workgroup on 8/9/2024.
2.2	Draft; Not yet approved by Authority Board	12/15/2025	Once finalized, will supersede and entirely replace all prior versions. Addresses comments received on Version 2.1.
2.3	Draft; Not yet approved by Authority Board	6/15/2026	Once finalized, will supersede and entirely replace all prior versions. Addresses comments received on Version 2.2. Includes revisions to reflect updates to B&O Contract and the finalized versions of the Operations Agreement with DWR and Reclamation, along with the final draft Contracts for Administration of Public Benefits. Does not address the March 20, 2026 Draft Water Right Order and Permit.
<u>3.0</u>	<u>Anticipated to be advanced by the Authority Board at its September 18, 2026 meeting as a component of the approval of the Resolution to Offer Capacity*</u>	<u>9/18/2026</u>	<u>Includes revisions to reflect updates to B&O Contract, Contracts for Administration of Public Benefits, and September 3, 2026 Revised Draft Water Right Order and Permit. Once advanced by the Authority Board, will supersede and entirely replace all prior versions.</u>

* Document is draft for consideration.

Acronyms and Abbreviations

AF	acre-feet
Authority	Sites Project Authority
BiOp	Biological Opinion
CDFW	California Department of Fish and Wildlife
cfs	cubic feet per second
CBD	Colusa Basin Drain
CCWD	Contra Costa Water District
CNRFC	California-Nevada River Forecast Center
CVP	Central Valley Project
D-1641	Decision 1641
Delta	Sacramento-San Joaquin River Delta
DO	Dissolved oxygen
DSOD	Division of Safety of Dams
DWR	California Department of Water Resources
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
GCID	Glenn-Colusa Irrigation District
I/O	inlet/outlet
MAF	million acre-feet
MOU	Memorandum of Understanding
NDWA	North Delta Water Agency
NOD	North-of-Delta
Operations Plan	Sites Reservoir Operations Plan
PGP	Pumping Generating Plant
RBPP	Red Bluff Pumping Plant
Reclamation	Bureau of Reclamation
SCADA	Supervisory Control and Data Acquisition
SOD	South-of-Delta
SWC	State Water Contractors
SWP	State Water Project
SWRCB	State Water Resources Control Board
TAF	thousand acre-feet
TC Canal	Tehama-Colusa Canal
TCCA	Tehama-Colusa Canal Authority
TRR	Terminal Regulating Reservoir

Definition of Terms

Key terms used in this Reservoir Operations Plan are defined below. Should any definitions conflict with those in each Storage Partner's respective contract, the definitions in those agreements shall govern.

- **Applicable Laws** – Means applicable federal, state and local laws, ordinances, rules, regulations, orders, and policies relating to the Project.
- **Base Facilities** – Means the Sites owned facilities or other facilities available to all Storage Partners including those listed in the Project Specific Information of each Storage Partner's respective contract, 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 specified in the Project Specific Information of the Storage Partner's respective contract, 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 Storage Partner's respective contract and subject to the Sites Water Right, Applicable Law and Governmental Approvals.
- **Capacity Interest** – 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 applies.
- **Delivery Point** – With respect to the Participants and the Bureau of Reclamation, means Funks Reservoir, the Terminal Regulating Reservoir or the downstream confluence with the Sacramento River Knights Landing Outfall Gates and shall be specified by each Storage Partner in its Release Request Form with respect to each Storage Partner, the delivery point specified in the Project Specific Information in their respective contract. The Delivery Point under the Contracts for Administration of Public Benefits are specified in those contracts.
- **Delta Export Facilities** – Means the Harvey O. Banks Delta Pumping Plant including Clifton Court Forebay, owned and operated by the California Department of Water Resources and the Jones Pumping Plant owned and operated by the Bureau of Reclamation.
- **Downstream Facilities** – Means 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** – 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 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.
- **Governmental Approvals** – 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 Sites Operations Plan.

- **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 Authority.
- **Other Water** – Means water other than Sites Water that a Storage Partner may request the Authority to store in and/or convey through Project facilities consistent with Governmental Approvals and Applicable Law.
- **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.
- **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 Authority may take actions reasonably practicable to assist Storage Partners in conveying Water.
- **Sites Project Authority (Authority or 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 (Operations Plan)** – Means this Sites Reservoir Operations Plan, including all Attachments, as may be modified from time to time.
- **Sites Reservoir Project (Project)** – ~~Means the entire physical infrastructure and capital improvements to be designed, constructed, commissioned and completed or contracted for use by the Authority, including the facilities owned by the Authority and the facilities utilized under Partner Agreements, as reflected in the Project Specific Information of each Storage Partner’s respective contract, 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~~~~Dams, reservoirs, certain associated diversion and conveyance facilities, and other associated facilities, mitigation lands, and the Sites Water Right owned and operated by the Authority.~~
- **Sites Water** – Means water that is appropriated under the Sites Water Right.
- **Sites Water Right** – Means the water right obtained and owned by the Authority for the Project.
- **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 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 Bureau of Reclamation.
- **Water Year** – Period from October 1 through September 30.
- **Water** – Means Sites Water or Other Water conveyed through, or stored by, Storage Partners in Project Facilities.

1.0 Introduction

This Sites Reservoir Operations Plan (Operations Plan) establishes the procedures to be used in managing the water operations of the Sites Reservoir Project (Project). This Operations Plan reflects the Sites Project Authority's (Authority) permits, approvals, and commitments which are specified in other documents. Therefore, Project operations will be consistent with the following (in no particular order):

- All Applicable Laws and Governmental Approvals – a few of which are currently in progress and not yet completed or obtained for the purposes of the Project's operations;
- Sites Reservoir Benefits and Obligations Contract (B&O Contract) – a final contract has been made available but has not yet been executed;
- Proposition 1 Water Storage Investment Program Contract for Administration of Public Ecosystem Benefits with the California Department of Fish and Wildlife (CDFW) – which is in final draft form but has not yet been executed;
- Proposition 1 Water Storage Investment Program Contract for Administration of Public Recreation, Flood Control, and Emergency Response Benefits with the California Department of Water Resources (DWR) – which is in final draft form but has not yet been executed;
- Partnership Agreement with the Bureau of Reclamation (Reclamation) – which is in final draft form but has not yet been executed;
- Partner Agreement with Glenn-Colusa Irrigation District (GCID) – which is in final draft form but has not yet been executed ~~which has not yet been finalized or executed~~;
- Partner Agreement with Tehama Colusa Canal Authority (TCCA) and Excess Capacity Contract with Reclamation – which are in final draft form but have not yet been finalized or executed; and
- Any relevant water operations agreement – the following which have been executed by the Authority and included in Attachment A:
 - Memorandum of Understanding (MOU) Between Colusa County and the Authority Regarding Area of Origin Water Rights Claims to Funks and Stone Corral Creeks, and Related Matters, dated November 22, 2021 (Colusa County MOU);
 - Agreement between the Authority and Contra Costa Water District (CCWD) to Coordinate in the Operations of the Sites Reservoir Project, dated December 20, 2023 (CCWD Agreement);
 - Agreement between the Authority and Maxwell Irrigation District to Avoid Impacts of Sites Reservoir Project to Maxwell Irrigation District Water Rights, dated April 9, 2024 (Maxwell ID Agreement);
 - Memorandum of Understanding Between the North Delta Water Agency (NDWA) and the Authority, dated August 30, 2023 (NDWA MOU); and
 - Settlement Agreement between the Authority, the State Water Contractors (SWC), and DWR, dated June 7, 2024 (Sites/SWC/DWR Settlement Agreement).

- Any relevant water operations agreement – the following which are in final form but have not yet been executed:
 - Agreement between the Authority and the Colusa Drain Mutual Water Company (Colusa Drain MWC; Anticipated Colusa Drain MWC Agreement);
 - Operations Agreement between the Authority, Reclamation, and DWR (Anticipated Sites/Reclamation/DWR Operations Agreement);
 - Agreement for Exchanges of Water Between the Sites Reservoir Project and State Water Project (Anticipated Lake Oroville Exchange Agreement);
 - Agreement Between DWR and the Authority for Conveyance of Sites Water for South of Delta (SOD) Central Valley Project (CVP) Project Improvement Act Refuges (Anticipated SOD Refuge Wheeling Agreement); and,
 - Agreement Between the United States and the Authority Providing For Refuge Water Supplies (Anticipated Refuge Donation Agreement with Reclamation).

On September 3, 2026, the Administrative Hearings Office of the State Water Resources Control Board (SWRCB) issued a Revised Draft Decision 1653 and Revised Draft Water Right Permit for the Project. -In addition, on September 3, 2026, the Administrative Hearings Office issued a Procedural Ruling bifurcating the Authority's water right application into two parts – one part that addresses diversions from the Sacramento River (which was the subject of the Revised Draft Decision 1653 and Revised Draft Water Right Permit¹) and one part addressing diversions from Funks and Stone Corral Creeks². -The Administrative Hearings Office also issued notice of a continued hearing to receive additional evidence in support of demonstrating water is available for diversions by the Authority from Funks and Stone Corral Creeks in January 2027. -This Operations Plan presents Project operations based on the terms and conditions in the SWRCB's Administrative Hearings Office September 3, 2026 Revised Draft Water Right and Order with respect to diversions and releases to the Sacramento River. This Operations Plan presents Project operations based on the terms proposed in the Authority's water right application and through the water right hearing process with respect to diversions from Funks and Stone Corral Creeks. This Operations Plan will be adjusted and revised to reflect the Project's Final Water Right(s) and Order(s) once adopted by the SWRCB.

This Operations Plan is an operating tool to help manage the water operations of the Project and does not take any precedence over Applicable Laws and Governmental Approvals and the agreements identified above. In the event of a conflict between this Operations Plan and Applicable Laws and Governmental Approvals or any of the agreements identified above, the terms of the respective instrument will control. This Operations Plan will be updated periodically to reflect updates to Applicable Laws and Governmental Approvals and the agreements identified above, and to reflect current operational practices as those are further developed and refined over time, as described in Section ~~14~~15. It is also important to note the following:

¹ [Application 33534A \(Permit 21487\)](#)

² [Application 33534B](#)

1. This Version ~~2.3~~ of the Operations Plan supersedes and replaces all prior versions. This Version ~~2.3~~ of the Operations Plan, when ~~adopted-advanced~~ by the Sites Authority Board of Directors as a component of the approval of the Resolution to Offer Capacity, will also supersede the “Principles for the Storage, Delivery and Sale of Sites Reservoir Project Water” adopted by the Sites Authority Board of Directors on April 21, 2021. This Operations Plan does not bind the Authority to implement certain operations, mitigation measures, or permit terms.
2. ~~The Authority has submitted a water right application to the State Water Resources Control Board (SWRCB) and permit applications to various other agencies. This Operations Plan presents Project operations based on the terms proposed in its water right application and through the water right hearing process. This Operations Plan will be adjusted and revised to reflect the final permit terms prior to Project operation. This Version of the Operations Plan is expected to be updated with the Final Water Right(s) and Order(s), remaining final agreements identified in this Section and any other operations-related agreements that may be developed and executed. Once updated, it will be considered for adoption by the Reservoir Management Board at the beginning of Phase 3 of the Project.~~
3. The Project is a wholly separate and distinct water supply project from that of the CVP and SWP. This Operations Plan and the Authority cannot modify, adjust, affect, or otherwise control the operations of the CVP and SWP. Conversely, Reclamation and DWR cannot modify, adjust, affect, or otherwise control the operations of the Project beyond those rights provided to Reclamation and DWR in any of the agreements identified above.
4. This Operations Plan addresses monitoring and measurement of water generally, including losses. Authority staff are developing a separate Measurement and Monitoring Plan which will describe this in detail.

Figure 1 provides an overview schematic of the Project, Project facilities, and related facilities. Figure 2 and Figure 3 shows the location of these facilities. Facility descriptions are provided in Attachment B.

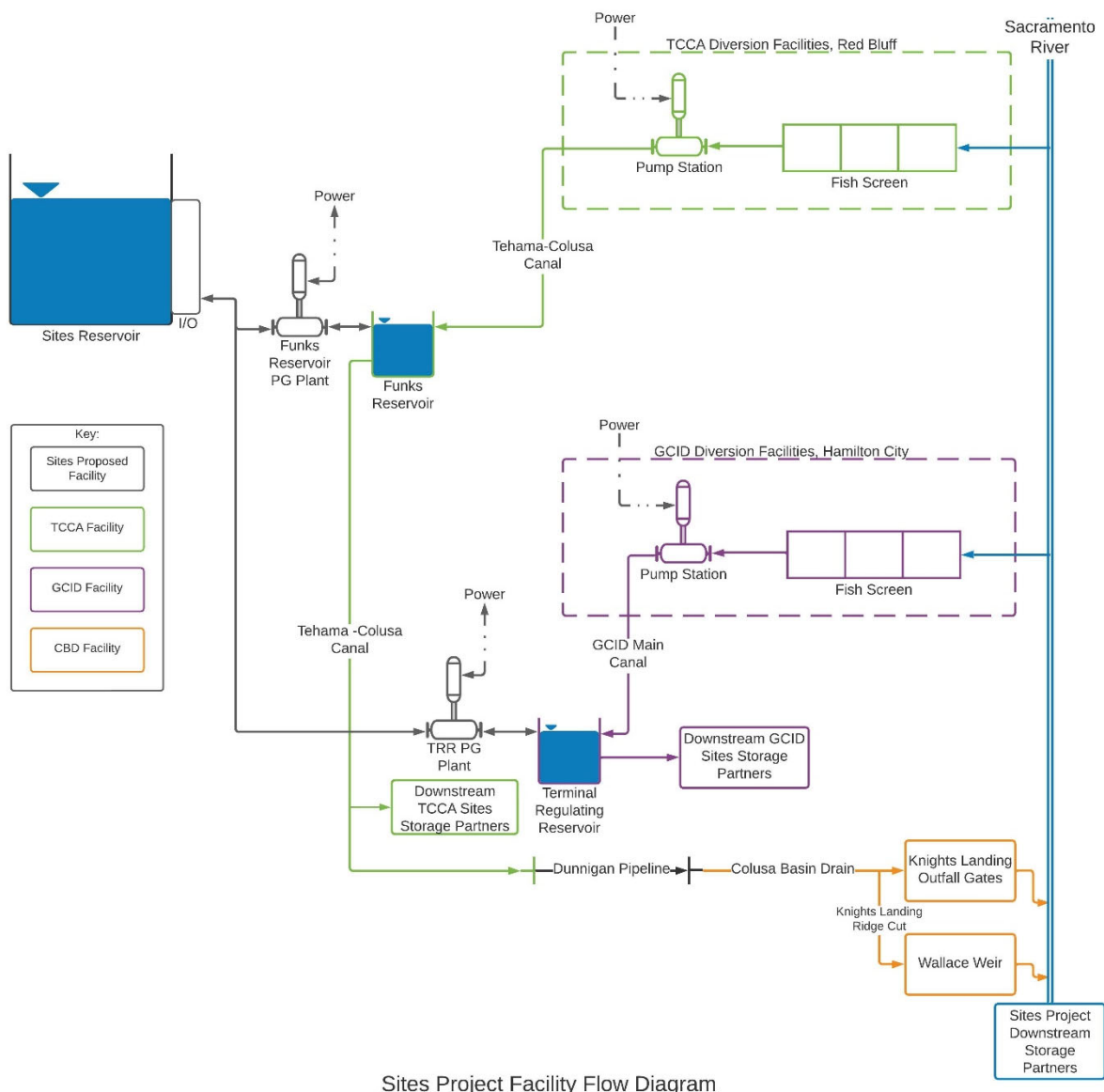


FIGURE 1. FACILITY SCHEMATIC

Abbreviations (in alphabetical order): CBD = Colusa Basin Drain; GCID = Glenn-Colusa Irrigation District; I/O = Inlet/Outlet; PG = Pumping / Generating; TCCA = Tehama Colusa Canal Authority; TRR = Terminal Regulating Reservoir

Note: Funks and Stone Corral Creeks not shown in the graphic. See Figure 2 for the creek locations.

Note: Releases through the Knights Landing Ridge Cut and Wallace Weir are no longer envisioned as part of the Project.

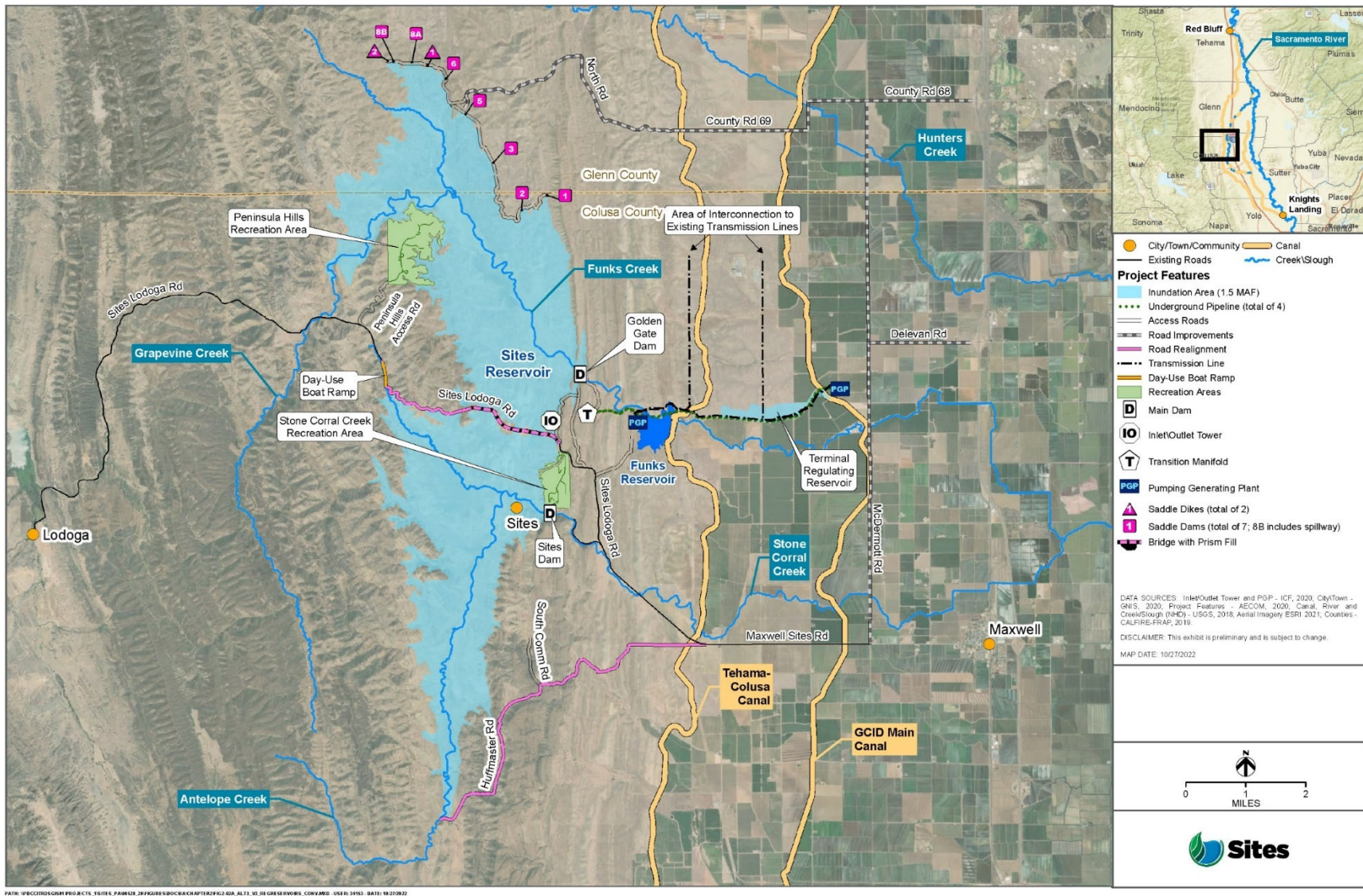


FIGURE 2. REGULATING RESERVOIRS, CONVEYANCE, AND SITES RESERVOIR FACILITIES

2.0 Operations Planning, Forecasting, and Accounting

2.1 Annual Operating Cycle

Error! Reference source not found. provides a generalized annual operating cycle. The annual operating cycle depicts the timeline and requirements of components important to operations:

- Diversions ~~from the Sacramento River, Funks Creek, and Stone Corral Creek~~ to Sites Reservoir and primary diversion months
- Timing of releases for north-of-Delta (NOD) and SOD uses
- Timing of exchanges with DWR

The annual operating cycle can be broadly divided into those times when the Project is diverting water to storage, releasing water for NOD purposes which may occur at any time but will likely occur during the summer months, releasing water SOD during July through November in the transfer window,³ and exchanging water with DWR. Note that operations vary year by year, so there is overlap between potential operations “seasons”; however, the figure shows the primary months for each operation.



FIGURE 4. ANNUAL OPERATING CYCLE

³ Releases of Sites Water for uses SOD 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.



2.2 Forecasting

Forecasting will be used to project when Project diversions to storage are expected and to estimate the amount of water available to each Storage Partner in a given year. Forecasts will use the best available technology and information at the time of operations and are expected to rely on publicly available deterministic and probabilistic river and seasonal runoff forecasts.

Forecasting for diversions will begin as early as late-August ~~(prior to the start of the diversion season in September)~~. Diversion forecasting will include coordination with DWR and Reclamation to monitor, project, and verify Sacramento-San Joaquin Delta (Delta) conditions. Diversion forecasting is further described in Section 3.4.

The Authority intends to work with all Storage Partners, Reclamation (in its capacity of CVP operations), and DWR to determine the most effective time period to initiate seasonal Project-specific forecasts along with what information is most useful for Storage Partners' planning purposes and for Reclamation and DWR in determining such things as available capacity and timing for diversions during the transfer window. Seasonal forecasts are expected to include storage estimates, potential release schedules, and estimates of available release and downstream capacities. Seasonal forecasting is expected to begin early in the calendar year and will be updated at least on a monthly basis as new information becomes available and on a timeline consistent with Storage Partners' planning schedules. Following the Authority's discussions with the Storage Partners, Reclamation, and DWR, this section will be updated to describe the general forecasting schedule and forecast details.

2.3 Real-time Tracking and Accounting

A Project dashboard will be developed that will allow the Authority and the Storage Partners to track real-time Project operations and accounting. The dashboard is anticipated to include the following:

- Project diversions and conveyance

- Sacramento River diversions at Red Bluff and Hamilton City
- Pumping into Sites Reservoir from Funks Reservoir and the Terminal Regulating Reservoir (TRR)
- Local inflows from Funks Creek and its watershed, Stone Corral Creek and its watershed and the watershed of Sites Reservoir, including precipitation
- Requested fills
- Actual fills
- In-Reservoir operations
 - Amounts in each Storage Partner's Storage Allocation
 - Reservoir levels
 - Estimated/calculated losses including evaporation and seepage
- Releases and deliveries
 - Outflow (releases) to Funks and Stone Corral Creeks
 - Requested releases to TRR and Funks Reservoir
 - Actual releases to TRR and Funks Reservoir
 - Releases into the Dunnigan Pipeline
 - Releases from the Dunnigan Pipeline into the Colusa Basin Drain
 - Colusa Basin Drain release into the Sacramento River
 - Estimated Delta Export
 - Estimated North Bay Aqueduct Export
- Other Project operations
 - Power use and generation
 - Exchanged water and location
 - Estimated losses, including conveyance losses and carriage water

The real-time dashboard is anticipated to have the ability to summarize data at various timesteps (e.g., instantaneous data, prior week, prior month, year-to-date) and will be developed with input from the Storage Partners.

2.4 Year-end Accounting

Following the final deliveries, year-end accounting and true-up will be prepared. True-up will consist of reconciling the end of year diversion, storage, release, and delivery accounting with all final operational data. Any discrepancies not immediately settled will be resolved through coordination with the pertinent Storage Partner(s) and the Owner/Operator(s) of any pertinent downstream facility(ies). Metrics will be provided to the Storage Partners and may also be used in the annual Sites Water Right report. It is anticipated that the year-end accounting will include a summary of the volumes collected to storage by source, account storage, requested releases from storage, actual releases, actual deliveries, and estimated losses, including spills (or carryover, if allowable) of exchange water in Oroville. The year-end accounting will be available to the Storage Partners as they make their requests for Sites Water the following year.

Currently, annual water right reports are due to the SWRCB by February 1 for the prior Water Year. Following the end of the Water Year on September 30, the Authority will request any additional information needed from Storage Partners for water right reporting purposes (see Section 12.0).

2.5 Periodic Summary Reporting

A summary report will be prepared by the Authority staff every 5 years, starting 5 years after initial operations of the Project. Depending on hydrologic conditions and the range of operations during the initial years of operation, the Authority will consider if an earlier report (i.e., prior to 5 years) would be informative. The summary report will evaluate the efficiency and effectiveness of Project operations, describe, at a minimum, challenges and opportunities that occurred over the prior 5 years of operations, and identify improvements to be implemented in the future, including potential changes to this Operations Plan. The Periodic Summary Report will incorporate feedback and assess satisfaction of the Storage Partners and facility partners with Project operations. Any changes to the Operations Plan recommended by the Periodic Summary Report will be made consistent with the process and requirements detailed in Section ~~14.0~~14.0.

3.0 Diversions and Conveyance to Sites Reservoir

3.1 Overall Project Diversions

Project diversions to storage will generally occur in the winter and early spring but could occur any time from ~~September-November~~ 1 through June 14, subject to compliance with all Applicable Laws and Governmental Approvals. With regard to diversions from the Sacramento River, Project facilities can only be used to divert/fill or release from the Reservoir; simultaneous fill from the Sacramento River and release back into Funks Reservoir or the TRR through the inlet/outlet works (I/O Works) cannot occur with the planned facilities. Simultaneous fill from Funks and Stone Corral Creeks and release through the I/O Works is possible, as is release of water to the creeks below the dams while filling with Sacramento River water. ~~In addition, and consistent with the Sites Water Right application, a~~All water diverted under the Sites Water Right must be placed into storage in Sites Reservoir and cannot be directly put to beneficial use prior to being stored in Sites Reservoir.

In accordance with all its obligations, contractual, permitting, regulatory, agreements, and otherwise, the Authority plans to maximize the diversion of water from all three sources (Sacramento River, Funks Creek, and Stone Corral Creek) into storage consistent with physical constraints and hydrologic conditions. The Authority is responsible for deciding whether and how much Sites Water to divert from all sources.

3.2 Diversion and Conveyance Facilities to Sites Reservoir

Sites Reservoir will be filled primarily through the diversion of Sacramento River flows. Diversions from the Sacramento River and conveyance to Sites Reservoir will occur via (1) the existing Red Bluff Pumping Plant (RBPP) and fish screen, the Tehama-Colusa Canal (TC Canal), and Funks Reservoir or (2) the existing Hamilton City Pump Station ([HCPS](#)) and fish screen, GCID Main Canal, and TRR. These facilities are described in Attachment B. When river conditions and capacity are available for both diversion facilities to be operated simultaneously, the maximum combined diversion rate from the Sacramento River is 4,200

190 cubic feet per second (cfs)⁴ ~~as identified in the Sites water right application~~. Additional criteria related to the rate of diversion at each POD are summarized in Section 3.3.

Water from Funks and Stone Corral Creeks will also be impounded in Sites Reservoir. Water from Funks Creek and its tributaries upstream will be diverted at Golden Gate Dam. Water from Stone Corral Creek and its tributaries upstream will be diverted at Sites Dam.

3.3 Diversion Criteria

Table 1 provides a summary of all of the diversion criteria applicable to the Project's Sacramento River diversions ~~that are in place at the time this document was prepared~~. Table 2 provides a summary of all of the diversion criteria applicable to the Project's Funks and Stone Corral Creeks diversions. Each diversion criteria is discussed in more detail in the following subsections.

TABLE 1. SUMMARY OF PROJECT'S SACRAMENTO RIVER DIVERSION CRITERIA

Criteria	Description
System-wide Criteria and Regulations	
Diversion Season	Limited to September-November 1 to June 14
Delta Conditions	No diversion under the Sites Water Right is authorized at any time from the Sacramento River when DWR and Reclamation have declared the Delta to be in any of the following conditions, as will be coordinated in real time: 1. Balanced Water Conditions, 2. Excess Conditions with Export Restrictions for Delta Inflow, 3. Excess Conditions with Export Restrictions for Sacramento River Inflow, 4. Any unforeseen circumstance that may cause and Adverse Effect, as reasonably determined by DWR and Reclamation.
Close Coordination	DWR, Reclamation, and the Authority have agreed to closely coordinate to avoid adverse effects on SWP and CVP operations and water rights. During the diversion season, DWR, Reclamation, and the Authority will use real-time and forecasted data to determine the needed level of coordination and actions to be taken to avoid adverse effects on the SWP and CVP.
Net Delta Outflow Index (NDOI) Upon Initiation	For diversions to commence, NDOI must have increased by an additional 3,000 cfs above the observed NDOI from the day prior to the determination of Excess Conditions to initiate diversions. Following commencement of diversions, the 3,000 cfs requirement is not required to be maintained unless or until the Delta returns to a Balanced Condition.
Senior Water Rights	Existing water rights with a priority date prior to September 30, 1977 <u>May 11, 2022</u> and those listed in Attachment C are senior
Term 91	Diversions only allowed when Term 91 is not in effect

⁴ The maximum combined physical diversion rate ~~planned by the Authority and included in the Sites water right application~~ is 4,200 cfs. The current maximum combined diversion rate in the Operations ITP and Water Right Permit is 4,190 cfs.

Criteria	Description
SWP Article 21, Reclamation Article 3F and Section 215	Delivery of SWP Article 21 water, CVP Article 3(f), and CVP Section 215 water is senior to Project diversions ⁵
SWRCB Decision 1641 (D-1641)	Project operations cannot affect the implementation of water quality and flow objectives in D-1641
SWP Incidental Take Permit (ITP)	Project operations cannot affect DWR's ability to operate to the then existing SWP ITP
CVP and SWP Record of Decision (ROD)	Project operations cannot affect Reclamation's ability to operate to the then approved Record of Decision for the Long-Term Operation of the CVP and SWP
Diversion Capacity Available	There is available capacity at the RBPP, HCPS , and in the TC Canal and GCID facilities to divert and convey water to Sites Reservoir, above the capacity needed for deliveries to existing TC Canal users and within the GCID service area
Trinity River Water	No water diverted from the Trinity River watershed to the Sacramento River watershed by Reclamation can be rediverted into the Project
Temporary Urgency Change Order for Delta Water Quality Objectives	No diversions when the Bay-Delta Water Quality Control Plan requirements for Delta Outflow, X2 (Spring), Rio Vista, Emmaton, Jersey Point, and Delta Export to Inflow (E:I) ratio are modified by a Temporary Urgency Change Petition/Order and the CVP or SWP are operating to the modified conditions
Temporary Restrictions	Comply with any temporary restrictions on diversions put into place by SWRCB, such as water right curtailments
2026 Bay-Delta Plan (Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta)	No diversion is authorized when any of the numeric Sacramento River inflow (including Sacramento River at Rio Vista), Sacramento River salinity, Delta salinity, or Delta outflow (including salinity-based Delta outflow) objectives of the 2026 Bay-Delta Plan and any future amendments thereto, are not being met. No diversion is authorized until the State Water Board implements the regulatory actions to effectuate the 2026 Bay-Delta Plan that are applicable to the Sites Project
Sacramento River Mainstem Healthy Rivers and Landscapes (HRL) Restrictions	No diversions on any day in which flows provided pursuant to the Sacramento River Mainstem HRL are contributing to Delta outflow, according to the accounting provisions in the 2026 Bay-Delta Plan

⁵ Only these contracted "excess" supplies are identified here to specifically note that diverted Sites Water cannot displace CVP Article 3(f) or CVP Section 215 water in the TC Canal or GCID Main Canal and/or diversion of Sites Water cannot reduce the ability of the CVP and SWP to export water for SWP Article 21, CVP Article 3(f), or CVP Section 215 supplies South of the Delta.

Criteria	Description
Project-specific Sacramento River Diversion Criteria	
Flow Dependent Diversions	RBPP: No diversion until flows in the Sacramento River at Bend Bridge exceeds 4,800 cfs from January 1 to February 28 (or February 29 in leap years) and 6,300 cfs from September 1 to December 31 along with March 1 to June 14. Diversions ramp up as flows increase in the Sacramento River until full diversion amount is reached at flows of 17,500 cfs 14,100 cfs or higher in the Sacramento River at Bend Bridge from January 1 to February 28 (or February 29 in leap years) and 17,500 cfs or higher from September 1 to December 31 along with March 1 to June 14. HCPS: No diversion until flows in the Sacramento River at Hamilton City exceed 10,500 cfs after any Project and non-Project diversions at HCPS from September 1 to June 14. Diversions ramp up as flows increase in the Sacramento River until full diversion amount is reached at flows of 24,500 cfs or higher in the Sacramento River at Hamilton City after any Project and non-Project diversions at HCPS.
<u>Bend Bridge Pulse Protection</u>	<u>Pulses are to be protected as identified below.</u> <u>Initiation: 3-day forecasted average Sacramento River flow at Bend Bridge is projected to exceed 8,000 cfs and 3-day forecasted average combined tributary flow (Cow Creek, Cottonwood Creek, and Battle Creek) must exceed 2,500 cfs</u> <u>Duration: 7 days upon initiation; if flows exceed 29,000 cfs at Sacramento River at Bend Bridge, diversions can occur but are limited to the flow in excess of 25,000 cfs for the remainder of the 7-day period</u> <u>Reset: After completion of the pulse protection period, resetting criteria must be met for another pulse protection period to commence: 3-day moving average Sacramento River flow at Bend Bridge is less than 7,500 cfs for 7 consecutive days and 3-day moving average tributary flow must go below 2,500 cfs for 7 consecutive days</u> <u>Period: March 1 – May 31</u>
Wilkins Slough Bypass Criteria	Diversions may not cause flow in the Sacramento River at Wilkins Slough to decline below 10,930 cfs from November 1 to November 30 and from March 1 to June 14. Diversions may not cause flow in the Sacramento River at Wilkins Slough to decline below 14,125 cfs from December 1 to February 28.
Bypass Criteria at RBPP ⁶	March – November: Sacramento River at RBPP must remain at or above 3,250 cfs

⁶ The December – February Bypass Criteria at RBPP considers the “Fall-Run Chinook Salmon Redd Maintenance and Reservoir Refill” action specified in Reclamation’s Record of Decision (ROD) Operations Plan (signed December 4, 2025). The Bypass Criteria at RBPP for November may revert to the December – February flow target, depending on how Reclamation implements the “Fall Release Ramp Down” action in the ROD Operations Plan. The ROD allows for potential modifications to these flow targets based on hydrology and Shasta Lake cold water pool conditions. If this occurs, the Bypass Criteria at RBPP will be adjusted to remain consistent with Reclamation’s current operation.

Criteria	Description
	December – February: The flow at which the Sacramento River at RBPP must remain at or above is determined based the end-of-September (EOS) storage in Shasta Lake - ≤ 2.4 MAF Shasta EOS storage: 3,250 cfs - ≤ 2.8 MAF Shasta EOS storage: 4,000 cfs - ≤ 3.2 MAF Shasta EOS storage: 4,500 cfs - > 3.2 MAF Shasta EOS storage: 5,000 cfs
Bypass Criteria at HCPS	Sacramento River at HCPS must remain at or above 4,000 cfs
Operable Fish Screens	Diversions may only occur when the fish screen panels at the RBPP and HCPS are installed, maintained, and fully operational
Maximum Total Annual Diversions and Maximum Diversion Rate	- Total maximum annual Project diversions from the Sacramento River of no more than 986,000 AF - Total maximum annual Project diversion at the RBPP of no more than 660,000 AF - Total maximum annual Project diversion at the HCPS of no more than 421,000 AF - Maximum instantaneous diversion rate at RBPP of 2,120 cfs - Maximum instantaneous diversion rate at HCPS of 2,070 cfs
Cessation of Diversions	- When either USGS Station 11390500 or CNRFC-WLKC1 Station are nonoperational unless CDFW has approved an alternative plan - When Project flow monitoring facilities are nonoperational
Water Quality Portfolio	Development of the Water Quality Portfolio must occur prior to initiating diversions. Water Quality Portfolio must be implemented for diversions to continue
Groundwater Monitoring Program	Preparation and approval of a groundwater monitoring program must occur prior to commencing diversions
Agreements	Project is implementing all Sacramento River diversion-related agreements described in Section 3.3.3

TABLE 2. SUMMARY OF PROJECT'S FUNKS AND STONE CORRAL CREEK DIVERSION CRITERIA

Criteria	Description
System-wide Criteria and Regulations	
Diversion Season	Limited to September 1 to June 14
Balanced Conditions in the Delta	No diversions during Balanced Conditions, which are determined by DWR and Reclamation
Close Coordination	DWR, Reclamation, and the Authority have agreed to closely coordinate to avoid adverse effects on SWP and CVP operations and water rights
Senior Water Rights	Existing water rights with a priority date prior to September 30, 1977 and those listed in Attachment C are senior
Term 91	Diversions only allowed when Term 91 is not in effect
Temporary Restrictions	Comply with any temporary restrictions on diversions put into place by SWRCB, such as water right curtailments
Project-specific Funks and Stone Corral Creek Diversion Criteria	

Criteria	Description
Funks Creek and Stone Corral Creek Operations Plan	No water can be impounded from Funks and Stone Corral Creeks until the Authority completes a Funks Creek and Stone Corral Creek Operations Plan
Agreements	Project is implementing all Funks and Stone Corral Creek, diversion-related agreements described in Section 3.3.5

3.3.1 System-wide Criteria and Regulations

The system-wide regulatory requirements that must be met prior to diversions are summarized below. All diversion criteria, both system-wide and Project-specific, must be met for Project diversions.

- System-wide criteria and regulations applicable to all sources:
 - ~~Diversion Season: The Authority would only divert from September 1 through June 14, inclusive. No diversions can occur from June 15 to August 31, inclusive, regardless of conditions or flows.~~
 - **Balanced Conditions in the Delta:** The Project would not be allowed to divert when the Delta is in Balanced Conditions. Balanced Conditions exist when DWR and Reclamation agree that 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.
 - **Close Coordination with DWR and Reclamation:** DWR, Reclamation, and the Authority have agreed to closely coordinate to avoid adverse effects on SWP and CVP operations and water rights.
 - ~~Senior Water Rights: The Authority has submitted a Petition for Assignment of a State filed water right (A025517), which has a priority date of September 30, 1977. Existing water rights with an earlier priority date are senior to the Project. This includes the existing CVP and SWP water rights. This also includes those water rights to which the Authority subordinated its right to divert listed in Attachment C which were included in the Sites Water Right application materials.~~
 - **Term 91⁷:** The Project would only divert when Term 91 is not in effect. [Source: Water Right Permit Term 27.](#)
 - **Temporary Restrictions:** The Project will also be required to operate under any temporary restrictions on [pumping diversions](#) put into place by SWRCB, such as water right curtailments. [Source: Water Right Permit Term 26.](#)

⁷ Term 91 requires that those holding such permits and licenses cease diverting water when the [SWRCB's State Water Resources Control Board's](#) Division of Water Rights (Division) gives notice that water is not available for use under those permits and licenses. This occurs at times when the [SWP State Water Project](#) and [CVP Central Valley Project](#) are releasing previously stored water to meet water quality and flow requirements in the Delta and the Delta is termed to be in "Balanced Conditions," generally during the summer and fall. See: https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/term_91/

- System-wide criteria and regulations applicable to Sacramento River diversions, in addition to the above:

- **Diversion Season:** The Authority would only divert from November 1 through June 14, inclusive. No diversions can occur from June 15 to October 31, inclusive, regardless of conditions or flows.
- **Senior Water Rights:** Existing water rights with a priority date prior to May 11, 2022 are senior. This includes the existing CVP and SWP water rights.
- **Excess Conditions with Sacramento River Export Restrictions:** In addition to Balanced Conditions, the Project may not divert during Excess Conditions with Export Restrictions for Delta Inflow or for Sacramento River Inflow, or if any unforeseen circumstance that may cause an adverse effect, as reasonably determined by DWR and Reclamation.
- **NDOI Upon Initiation:** For diversions to commence, NDOI must have increased by an additional 3,000 cfs above the observed NDOI from the day prior to the determination of Excess Conditions. This criteria is initiated each time the Delta moves from Balanced to Excess and Project diversions are initiated. The 3,000 cfs requirement is not required to be maintained while the Project is diverting. See Source: Operations ITP Term 9.8.
- **SWP Article 21, Reclamation Article 3(f) and Section 215:** SWP contracts and CVP contracts include provisions for deliveries above contract amounts in certain conditions. This water is generally available in wetter water year types or in higher flow conditions. The delivery of SWP Article 21 water, CVP Article 3(f), and/or CVP Section 215 water cannot be displaced or impacted by Project diversions.
- **SWRCB Decision 1641 (D-1641):** D-1641 and its amendment identify the implementation of water quality and flow objectives for the San Francisco Bay and Sacramento-San Joaquin Delta Estuary. Components of D-1641 expected to have the largest influence on Project operations include requirements for the Net Delta Outflow Index, maximum percent of Delta inflow diverted (Export/Inflow ratio), operations of the CVP and SWP related to salinity and X2, and Delta water quality requirements.
- **SWP Incidental Take Permit (ITP):** The Project would operate so as to avoid affecting DWR's ability to operate to the then-existing SWP Incidental Take Permit, currently the 2024 SWP ITP (ITP No. 2081-2023-054).
- **CVP and SWP Record of Decision:** The Project would operate so as to avoid impairing Reclamation's ability to operate to the then-existing Record of Decision for the Long-Term Operation of the CVP and SWP, including the Incidental Take Statements provided in the Services' Biological Opinions.
- **Diversion Capacity Available:** There is available capacity at the RBPP and in the TC Canal and GCID facilities to divert and convey water to Sites Reservoir, above the capacity needed for deliveries to existing TC Canal users and within the GCID service area.
- **Trinity River Water:** No water originating from the Trinity River can be rediverted into the Project. Trinity River Water is defined as water diverted by Reclamation from the Trinity River watershed into the Sacramento River watershed pursuant to Reclamation's water rights. Source: Water Right Permit Term 17.

- **Temporary Urgency Change Order for Delta Water Quality Objectives.** No diversions when the Bay-Delta Water Quality Control Plan requirements for Delta Outflow, X2 (Spring), Rio Vista, Emmaton, Jersey Point, and Delta Export to Inflow (E:I) ratio are modified by a Temporary Urgency Change Petition/Order and the CVP or SWP are operating to the modified conditions. Source: See Operations ITP Term 9.9.
- **2026 Bay-Delta Plan.** No diversion is authorized when any of the numeric Sacramento River inflow (including Sacramento River at Rio Vista), Sacramento River salinity, Delta salinity, or Delta outflow (including salinity-based Delta outflow) objectives of the 2026 Bay-Delta Plan and any future amendments thereto, are not being met. Source: Water Right Permit Term 29. No diversion is authorized until the State Water Board implements the regulatory actions to effectuate the 2026 Bay-Delta Plan that are applicable to the Sites Project. Source: Water Right Permit Term 30.
- **Sacramento River Mainstem HRL Restrictions.** No diversions on any day in which flows provided pursuant to the Sacramento River Mainstem HRL are contributing to Delta outflow, according to the accounting provisions in the 2026 Bay-Delta Plan. The Authority is to coordinate the timing of its diversions with the State Water Board and Sacramento River Mainstem HRL parties. Source: Water Right Permit Term 31.

3.3.2 Project-specific Sacramento River Diversion Criteria

Below are the Project-specific Sacramento River diversion criteria. All of the criteria must be met, in addition to the system-wide criteria listed in Section 3.3.1.

3.3.2.1 Flow Dependent Diversion

RBPP

No diversion until flows in the Sacramento River at Bend Bridge as measured at the CDEC Station Bend Bridge (BND)⁸ exceeds ~~4,800 cfs from January 1 to February 28 (or February 29 in leap years) and 6,300 cfs from September 1 to December 31 along with March 1 to June 14.~~

Allowable Sites Project diversions at RBPP ~~from January 1 to February 28 (February 29 in leap years) are specified in Table 3. Allowable Sites Project diversions at RBPP from March 1 to June 14 and September 1 to December 31 are specified in Table 4.~~ Linear interpolation shall be used between the range values provided in Table 3 ~~and Table 4.~~ Diversion adjustments can be made as frequently as desired in coordination with TCCA.

TABLE 3. FLOW DEPENDENT DIVERSIONS AT RBPP ~~— JANUARY 1 THROUGH FEBRUARY 28 (FEBRUARY 29 IN LEAP YEARS)~~

Real-Time Flow at Bend Bridge (BND) in cfs	Maximum Diversion (cfs)
4,800	0
5,000	130
6,000	230

⁸ California Data Exchange Center Station Bend Bridge (BND) – https://cdec.wa14.100ter.ca.gov/dynamicapp/staMeta?station_id=BND

7,000	360
8,000	520
9,000	710
10,000	930
11,000	1,180
12,000	1,450
13,000	1,760
14,000	2,100
14,100	2,120
Greater than 14,100	2,120

Table 4. Flow-Dependent Diversions at RBPP—March 1 to June 14 and September 1 to December 31 Real-Time Flow at Bend Bridge (BND) in cfs	Maximum Diversion (cfs)
6,300	0
7,000	120
8,000	220
9,000	340
10,000	480
11,000	640
12,000	810
13,000	1,010
14,000	1,220
15,000	1,460
16,000	1,710
17,000	1,980
17,500	2,120
Greater than 17,500	2,120

See Sources: [Water Right Permit Term 23a and](#) Operations ITP Term 9.14.1.

HCPS

No diversion until flows in the Sacramento River at HCPS as measured at the CDEC Station Hamilton City (HMC)⁹ exceeds 10,500 cfs ~~from September 1 to June 14~~ and after accounting for both Project and non-Sites Project diversions at the HCPS. As the HMC CDEC Station is downstream of the HCPS, Sites Project and other non-Sites Project¹⁰ (if any are occurring) diversions at the HCPS must be accounted for such that, for the Sites Project diversions to occur, the HMC CDEC Station continues to exceed 10,500 cfs with total diversions at the HCPS.

Allowable Sites Project diversions at HCPS ~~from September 1 to June 14~~ are specified in Table 54. Linear interpolation shall be used between the range values. Diversion adjustments can be made as frequently as desired in coordination with GCID.

⁹ California Data Exchange (CDEC) Station Hamilton City (HMC) - https://cdec.water.ca.gov/dynamicapp/staMeta?station_id=HMC.

¹⁰ Non-Sites Project water refers to any water diverted at the HCPS not for the purpose of diversion to Sites Reservoir.

TABLE 4. FLOW DEPENDENT DIVERSIONS AT HCPS –JANUARY 1 THROUGH FEBRUARY 28 (FEBRUARY 29 IN LEAP YEARS)

Real-Time Flow at Bend Bridge (BND) in cfs	Maximum Diversion (cfs)
10,500	0
11,500	280
12,500	370
13,500	480
14,500	590
15,500	720
16,500	850
17,500	980
18,500	1,130
19,500	1,290
20,500	1,450
21,500	1,620
22,500	1,800
23,500	1,990
24,500	2,200
Greater than 24,500	2,200

See Source: Operations ITP Term 9.14.2.

3.3.2.2 Bend Bridge Pulse Protection

A pulse flow protection measure is applied to all qualified precipitation-generated peaks in the hydrograph as described below from March 1 through May 31. Project diversions from the Sacramento River would not occur during a qualified pulse event. Diversions are otherwise unrestricted by the Bend Bridge Pulse Flow protection criteria.

The following criteria define a qualified pulse event:

- If the 3-day forecasted average of Sacramento River flow at Bend Bridge is projected to exceed 8,000 cfs and the 3-day forecasted average combined tributary flow upstream of Bend Bridge (Cow Creek, Cottonwood Creek, and Battle Creek) is projected to exceed 2,500 cfs, then a pulse protection event is anticipated. Diversion restrictions would begin when the average hourly flows in the Sacramento River at Bend Bridge exceed 8,000 cfs and the average hourly flows in the tributaries upstream of Bend Bridge (Cow Creek, Cottonwood Creek, and Battle Creek) cumulatively exceed 2,500 cfs, provided that the previous day was not already in a pulse protection event.
- A pulse event terminates 7 days after initiation; or earlier than 7 days after initiation if the average daily Sacramento River flow at Bend Bridge exceeds 29,000 cfs. In the event that Sacramento River flow at Bend Bridge exceeds 29,000 cfs during the 7-day pulse protection event, Project diversions may resume when average daily diversions subtracted from Sacramento River flow at Bend Bridge continue to be at least 25,000 cfs during what would have been the 7-day pulse protection period.

- After completion of a pulse event, the following conditions must occur before another pulse event is triggered: (1) 3-day ~~trailing~~moving average of Sacramento River flow at Bend Bridge was less than 7,500 cfs for 7 consecutive days; and (2) 3-day ~~trailing~~moving average of tributary flow upstream of Bend Bridge (Cow Creek, Cottonwood Creek, and Battle Creek) was less than 2,500 cfs for 7 consecutive days.

~~Project diversions from the Sacramento River would not occur during a qualified pulse event. Diversions are otherwise unrestricted by the Bend Bridge Pulse Flow protection criteria.~~

Source: Water Right Permit Term 23b.

~~3.3.2.23.3.2.3~~ Wilkins Slough Bypass Criteria

Diversions to Sites Reservoir may not cause flow in the Sacramento River at Wilkins Slough to decline below 10,930 cfs for November 1 to November 30 and from March 1 to June 14. ~~Diversions to Sites Reservoir may not cause flow in the Sacramento River at Wilkins Slough to decline below 14,125 cfs for from December 1 to February 28. Both the entire diversion season (September 1 to June 14)~~ as indicated by United States Geological Survey (USGS) Station 1139050031¹¹ - Sacramento R BL Wilkins Slough NR Grimes CA.

For the period of November 1 to November 30 and from March 1 to June 14, flow at Wilkins Slough are
~~This is~~ determined using the following criteria:

- The Real-Time flow at USGS Station 11390500 exceeds 10,930 cubic feet per second (cfs).
- The California Nevada River Forecast Center (CNRFC) forecasted flow at station WLKC1¹² exceeds 10,930 cfs for the subsequent 72 hours following the estimated start time of any diversion event.
- The forecasted flow continues to exceed 10,930 cfs at CNRFC station WLKC1 for 72 hours after the diversion event is scheduled to end.
- The forecasted flow at CNRFC station WLKC1 shall be re-evaluated for the duration of the diversion event at a minimum of every twenty-four hours to ensure the projected forecast has not changed and the forecasted flow continues to exceed 10,930 cfs.

In the event that TCCA and/or GCID is also diverting at the same time as diversions to Sites Reservoir are occurring, then the above condition applies and the Sites Project cannot divert unless the Sacramento River at Wilkins Slough remains at or above 10,930 cfs. The total allowable Sites Project diversions shall be determined by the following equation:

Available Flow for the Sites Project (cfs) = $WLK_{72hrForecast} - (10,930 + RB_{NonPermitteeDiv} + HC_{NonPermitteeDiv})$

¹¹ Real-time flow at USGS Station# 11390500 -
<https://waterdata.usgs.gov/monitoringlocation/11390500/#parameterCode=00065&period=P7D&showMedian=false>

¹² California Nevada River Forecast Center (CNRFC) deterministic forecasted flow at station WLKC1 -
<https://www.cnrfc.noaa.gov/ensembleProduct.php?id=WLKC1&prodID=3>

Where: $WLK_{72hrForecast}$ is the CNFRC 72-hour forecast
 $RB_{NonPermitteeDiv}$ is non-Sites Project diversions at RBPP
 $HC_{NonPermitteeDiv}$ is the non-Sites Project diversions at HCPS

See-Source: Operations ITP Term 9.12 and 9.13.

Diversions need to cease when any of the following exist:

- Flows at USGS Station 1139050031 no longer exceed 10,930 cfs.
- The 72-hour forecast indicates the CNRFC Station WLKC1 no longer exceeds 10,930 cfs for the 72-hour period following the estimated start time or end time of diversions.
- Any 24-hour re-evaluation of the forecast indicates CNRFC Station WLKC1 will no longer exceed 10,930 cfs.
- Total Sites diversions and non-Sites diversions at RBPP and HCPS will reduce flows below 10,930 cfs at Wilkins Slough (as measured at either USGS Station 1139050031 or CNRFC Station WLKC1).

Source: See Operations ITP Term 9.15.

Source: 14,125 cfs December 1 to February 28 requirement is Water Right Permit Term 23c.

3.3.2.33.3.2.4 *Bypass Criteria at the Red Bluff Pumping Plant*

From March through November, diversions at the RBPP can occur only when flows in the Sacramento River are at and remain at or above 3,250 cfs, as measured at the Bend Bridge California Data Exchange (CDEC) Station (BND)¹³ minus any Project diversions and any non-Project diversions (such as CVP diversions) occurring at the RBPP. See-Source: Operations ITP Term 9.10.

From December through February, the bypass flow at the RBPP is dependent on the end-of-September storage in Shasta Lake, as specified in Reclamation's 2025 ROD Operations Plan:

- ≤ 2.4 MAF Shasta EOS storage: 3,250 cfs
- ≤ 2.8 MAF Shasta EOS storage: 4,000 cfs
- ≤ 3.2 MAF Shasta EOS storage: 4,500 cfs
- > 3.2 MAF Shasta EOS storage: 5,000 cfs

Diversions at the RBPP can occur only when flows in the Sacramento River are at and remain at or above the specified flow, as measured at the Bend Bridge California Data Exchange (CDEC) Station (BND) minus any Project diversions and any non-Project diversions (such as CVP diversions) occurring at the RBPP.

¹³ California Data Exchange Center Station Bend Bridge (BND) -
https://cdec.water.ca.gov/dynamicapp/staMeta?station_id=BND

See footnote 6 and Reclamation's 2025 ROD Operations Plan, Section 2.9, for additional detail and operational considerations.

~~3.3.2.4~~3.3.2.5 *Bypass Criteria at the Hamilton City Pump Station*

Diversions at the HCPS can occur only when flows in the Sacramento River are at and remain at or above 4,000 cfs, as measured at the Hamilton City CDEC Station (HMC)¹⁴. ~~Source: See~~ Operations ITP Term 9.11.

~~3.3.2.5~~3.3.2.6 *Operable Fish Screens*

Diversions may only occur with the fish screen panels at the RBPP and HCPS are installed, maintained, and fully operational. The Project's Operations ITP includes terms and conditions relative to fish screen testing and maintenance that must be implemented relative to this criteria. ~~Source: See~~ Water Right Permit Term 21 and Operations ITP Terms 9.1 and 9.2.

~~3.3.2.6~~3.3.2.7 *Maximum Total Annual Diversions and Maximum Diversion Rates*

Total maximum annual Project diversions from the Sacramento River is limited to 986,000 AF, combined from both the RBPP and HCPS. Source: Water Right Permit Term 5 and Operations ITP Term 9.4.

The total maximum annual Project diversion at the RBPP is no more than 660,000 AF. The total maximum annual Project diversion at the HCPS is no more than 421,000 AF. The individual total maximum annual Project diversion at RBPP and HCPS are not intended to add to 986,000 AF. ~~Source: See~~ Operations ITP Term 9.4.

The maximum Project diversion rate at the RBPP is 2,120 cfs. The maximum Project diversion rate at the HCPS is 2,070 cfs. Maximum combined rate of diversion is 4,190 cfs. Source: See Water Right Permit Term 5 and Operations ITP Term 9.5 and 9.6.

~~3.3.2.7~~3.3.2.8 *Cessation of Diversions*

Diversions from the Sacramento River must cease when ~~either~~ any of the following exist:

- Either USGS Station 11390500 or CNRFC - WLKC1 Station is nonoperational, or the data centers cease to provide data. The Authority may develop and seek CDFW's approval of alternative methods of compliance. Source: Operations ITP Term 9.15.
- Downstream flow monitoring equipment or Project facilities that monitor water volumes diverted, exported, transferred, or exchanged related to the Project are nonoperational or cease to provide data. The equipment or facilities include, but are not limited to, Supervisory Control and Data Acquisition (SCADA) components at the RBPP or HCPS diversion facilities, flow monitoring equipment at the Terminal Regulating Reservoir, Funks Reservoir, I/O Facility, Sites Reservoir and at the Dunnigan Pipeline. Source: Operations ITP Term 9.15.
- Within 5 working days of determining that a streamflow measurement station used to establish diversion criteria relative to the Project's Water Right Permit is not in operation or data from

¹⁴ California Data Exchange Center Station Hamilton City (HMC) - https://cdec.water.ca.gov/dynamicapp/staMeta?station_id=HMC

that station is not available in real-time. The Authority may develop and seek the Deputy Director's approval of alternative measurement location or methods. No diversions shall occur until the State Water Board has approved the alternative measurement location or method.
Source: Water Right Permit Term 24.

3.3.2.9 ~~See Operations ITP Term 9.15.~~ Water Quality Portfolio

Water Right Permit Term 34 calls for the development of a Water Quality Portfolio that incorporates the requirements of Terms 35 through 43. The Water Quality Portfolio must be developed prior to initiation of diversions. Actions in the Water Quality Portfolio must be implemented in accordance with the timelines in the Portfolio for diversions to continue. Source: Water Right Permit Terms 34 through 43.

3.3.2.10 Groundwater Monitoring Program

Prior to commencing diversions, the Authority shall prepare a groundwater monitoring program consistent with Water Right Term 52. The groundwater monitoring program must be approved by the State Water Board. Source: Water Right Term 52.

3.3.3 Project-specific, Sacramento River Diversion-Related Operations Agreements

The Project-specific, Sacramento River operational components from operations agreements are indicated below. Note that each description does not summarize the respective agreement in its entirety, but rather focuses on the sections of this Operations Plan that address operational components. Executed agreements can be found in Attachment A.

- CCWD Agreement – The notification and coordination components of this agreement have been incorporated into Section 3.5. This agreement may require modifications in the timing or amount of Project diversions depending on outcomes of the notification and coordination process.
- NDWA MOU – The operations-related components of this agreement are incorporated into the diversion criteria described throughout this Section 3.3. Future changes, if any, to the diversion criteria need to be considered in the context of the NDWA MOU.
- Anticipated Sites/Reclamation/DWR Operations Agreement – The operations-related components of this agreement are incorporated into the diversion criteria described throughout this Section 3.3. The notification and coordination components of this agreement have been incorporated into Section 3.5.
- Sites/SWC/DWR Settlement Agreement – The operations-related components of this agreement are incorporated into the diversion criteria described throughout this Section 3.3. The notification and coordination components of this agreement have been incorporated into Section 3.5.

3.3.4 Project-specific Funks and Stone Corral Creeks Diversion Criteria

Below are the Project-specific Funks and Stone Corral Creeks diversion criteria. All of the criteria must be met, in addition to the applicable system-wide criteria and regulations listed in Section 3.3.1.

- **Diversion Season:** The Authority would only divert from September 1 through June 14, inclusive. No diversions can occur from June 15 to August 31, inclusive, regardless of conditions or flows.

- **Senior Water Rights:** The Authority has submitted a Petition for Assignment of a State-filed water right (A025517), which has a priority date of September 30, 1977. Existing water rights with an earlier priority date are senior to the Project. This includes the existing CVP and SWP water rights. This also includes those water rights to which the Authority subordinated its right to divert listed in Attachment C which were included in the Sites Water Right application materials.
- **Funks Creek and Stone Corral Creek Operations Plan:** No water can be impounded from Funks and Stone Corral Creeks until the Authority completes a Funks Creek and Stone Corral Creek Operations Plan, as described in the Sites Water Right application and the Project's Final EIR. The Authority has committed to including GCID, TCCA, Colusa County, Maxwell ID, and the Colusa Drain MWC in the development of this Funks Creek and Stone Corral Creek Operations Plan. This effort is likely to result in additional operational considerations for the creeks that would be reflected in a future version of this Operations Plan.

3.3.4.1 Regulation of Creek Flows

The Authority may regulate flows on Funks and/or Stone Corral Creeks (temporarily store water from the creeks for less than 30 days) for the purposes of public safety to prevent downstream flooding impacts. Regulation would only occur when the applicable Funks and Stone Corral Creek diversion criteria are not being met and thus, water from the creeks is not being diverted to storage under the Sites Water Right; but downstream impacts are anticipated from high flow events. Prior to regulating flows, the Authority shall coordinate with Colusa County and document the current and anticipated flow conditions and possible downstream threats to life and property. The Authority shall estimate the amount of flow retained during regulation and develop a plan to safely release the entire estimated amount, with no more than a 30-day retention period. Regulated flows from Funks and/or Stone Corral Creeks will occupy empty space (i.e., Storage Allocation not filled with water) in Sites Reservoir and will not require the Authority to lease space from Storage Partners. In the event that all Storage Partner allocations are full, it is assumed that this water would be held in the inactive storage pool. If and when this water is released from the inactive storage pool, that volume will be accounted for and refilled consistent with Section 4.3 of this Operations Plan. This is expected to be a rare occurrence. Regulated flows from Funks and/or Stone Corral Creeks will not be allocated to any Storage Partner as this is not Sites Water diverted under the Sites Water Right.

Regulation may also occur during Project construction to manage flows through construction areas for public/worker safety and site stability considerations. If regulation is needed during construction, the Authority will develop a plan for regulating flows and will establish a methodology to measure daily inflows and outflows. The Authority will make all reasonable efforts to release regulated flows within 30 days when considering safety and site conditions.

3.3.5 Project-specific, Funks and Stone Corral Creeks Diversion-Related Operations Agreements

The Project-specific, Funks and Stone Corral Creeks operational components from [the applicable](#) operations agreements are described below. Note that each description does not summarize the respective agreement in its entirety, but rather focuses on the diversion-related operational components. Executed agreements can be found in Attachment A.

- Colusa County MOU – The allocation of Sites Water diverted from Funks and Stone Corral Creeks is addressed in Section 3.6 of this Operations Plan. Section 3.3.4 of this Operations Plan

describes the development of the Funks Creek and Stone Corral Creek Operations Plan and the Authority's commitment to include Colusa County in its development. Monitoring and measurement of water originating from Funks and Stone Corral Creeks will be addressed in a separate Measurement and Monitoring Plan that Authority staff are developing.

- Maxwell ID Agreement – The diversion-related components of this agreement are incorporated into the diversion criteria described throughout this Section 3.3. The diversion-related notification and coordination components of this agreement are incorporated into Section 3.5. Monitoring and measurement of water originating from Funks and Stone Corral Creeks will be addressed in a separate Measurement and Monitoring Plan that Authority staff are developing.
- Anticipated Colusa Drain MWC Agreement – The diversion-related operations components of this agreement are incorporated into the diversion criteria described throughout this Section 3.3. The diversion-related notification and coordination components of this agreement are incorporated into Section 3.5. Monitoring and measurement of water originating from Funks Creek and Stone Corral Creek and releases into the Colusa Basin Drain will be addressed in a separate Measurement and Monitoring Plan that Authority staff are developing.

3.4 Diversion Forecasting

The Authority will develop and maintain a tool to assist with diversion forecasting and coordination. Currently, a spreadsheet tool, referred to as the Forecasting Tool, has been created to forecast potential diversions from the Sacramento River. The Forecasting Tool includes observed and forecasted flows for the Sacramento River at Bend Bridge, the Sacramento River at Wilkins Slough, and the observed and expected Delta condition. The observed and forecasted flows are evaluated with the system-wide and Project-specific diversion criteria to forecast the rate of water that the Authority could potentially divert each day.

Forecasted flows for locations on the Sacramento River and tributary creeks are available on a 30-day outlook; however, detailed forecasts are typically only available up to 10 days out with a greater reliability in the 3- to 5-day range. The Authority will use forecasts to initiate and continue coordination with facility operators and other agencies as required under [the applicable](#) agreements.

There are currently no forecast data available for Funks and Stone Corral creeks. The Authority will consider what tools are needed, if any, to forecast inflows from these creeks.

Each diversion forecast and all long-range, seasonal forecasts prepared for the Sacramento River and for Funks and Stone Corral creeks will consider the available storage capacity remaining in Sites Reservoir as a whole and in each Storage Partner account.

3.5 Diversion Notifications

During the diversion season, the Authority will regularly coordinate with DWR and Reclamation to exchange data and forecasts regarding projected operations and conditions. Through this regular close coordination, the Authority, DWR, and Reclamation will have a collective understanding of when Project diversions are projected to begin, continue, or cease.

When system-wide and Project-specific diversion criteria are met, the Authority will be responsible for deciding whether and how much to divert from all sources in accordance with applicable provisions of the Project's Applicable Laws and Governmental Approvals, and will coordinate with Reclamation, TCCA,

and GCID to provide specific diversion requests, including timing and amount. The Authority will work with Reclamation, TCCA, and GCID to develop a communications protocol and procedure to ensure efficient and effective communication on diversions and conveyance of diverted water to Funks Reservoir and the TRR, respectively.

Error! Reference source not found. identifies diversion notifications applicable to the Project's Sacramento River diversions.

Error! Reference source not found. identifies diversion notifications applicable to the Project's Funks and Stone Corral Creeks diversions.

TABLE 5. SACRAMENTO RIVER DIVERSION NOTIFICATIONS AND TIMING

Notification Timeframe	Agency Notifying	Notification Summary	Controlling Agreement and Section
Regular basis, no specific timing	CCWD	Meet with CCWD to share information about forecasted conditions and coordinate regarding foreseeable Project operations; discuss and cooperatively work to assess and improve relevant modeling tools and processes; agree upon the tool or tools to be used prior to the Sites Project diversion season within the context of the agreement	CCWD Agreement, SOP, Paragraph 1
At least 7 days prior to diversions (or earlier, if possible)	CCWD	Inform CCWD of dates and rates of intended diversions, as well as if forecasted "Quick Check-in Conditions and Process" or "Quantitative Analysis Conditions and Process" exist and follow process identified in the CCWD Agreement, SOP (see Attachment A)	CCWD Agreement, SOP, Paragraph 2
At least 3 days prior to diversions (or earlier, if possible)	DWR, Reclamation	DWR and/or Reclamation can give notice to the Authority that diversions may occur 7 days in advance. The Authority shall coordinate and confirm with DWR and Reclamation that the conditions exist with the date and rate of planned diversion at least 3 days before the planned diversions, or earlier if possible.	Sites/DWR/Reclamation Operations Agreement, Attachment 1, Section 1
At least 7 days prior to diversions (or earlier, if possible)	DWR, SWC	Inform DWR and SWC of date and rate of intended diversions. If Excess Conditions with Sacramento River export restrictions are forecasted as defined in the Sites/SWC/DWR Settlement Agreement, DWR shall determine if the planned diversion will cause an adverse effect to the SWP and notify the Authority	Sites/SWC/DWR Settlement Agreement, Paragraphs 2.3 and 3.4

TABLE 6. FUNKS AND STONE CORRAL CREEKS DIVERSION NOTIFICATIONS AND TIMING

Notification Timeframe	Agency Notifying	Notification Summary	Controlling Agreement and Section
Regular basis, no specific timing	Maxwell ID	Meet with Maxwell ID to share information about forecasted conditions and coordinate regarding foreseeable Project operations; discuss and	Maxwell ID Agreement,

Notification Timeframe	Agency Notifying	Notification Summary	Controlling Agreement and Section
		cooperatively work to assess and improve relevant measurement and monitoring tools and processes, along with assess and improve including data sharing and communications tools and processes	SOP, Paragraph 1
At least 7 days prior to diversions (or earlier, if possible)	Maxwell ID	Inform Maxwell ID of date of anticipated initial diversions	Maxwell ID Agreement, SOP, Paragraph 3a
Weekly after initial notification through remainder of diversion season (June 14)	Maxwell ID	Inform Maxwell ID of Project's intended diversions to storage of water from Funks and/or Stone Corral Creeks and releases into Funks and/or Stone Corral Creeks weekly for the upcoming seven (7) days that occur two (2) days following the notification (for example, if the notification occurs on a Monday, it would cover the upcoming seven days from Wednesday through the following Tuesday). Inform Maxwell ID of changes that may occur to the weekly plan as soon as possible	Maxwell ID Agreement, SOP, Paragraph 3b
Daily	Maxwell ID	Inform Maxwell ID of the following: flows in the creeks above Sites Reservoir for the prior day; actual daily releases into Funks and Stone Corral Creeks from Sites Reservoir for the prior day; expected daily releases into Funks and Stone Corral Creeks from Sites Reservoir for the current day; and flows in Stone Corral Creek at locations downstream of Sites Reservoir but upstream of Maxwell ID's POD #2 (on Stone Corral Creek near its intersection with Maxwell Road) for the prior day	Maxwell ID Agreement, SOP, Paragraph 2
Periodic Regulation of Flows for Less than 30 Days	Maxwell ID	Notify Maxwell ID in advance of regulation, or as soon as possible after regulation has occurred if advance notice was not possible, and coordinate to ensure that Maxwell ID's ability to exercise its water rights is not impacted	Maxwell ID Agreement, SOP, Paragraph 4

Note: The Anticipated Colusa Drain MWC Agreement is expected to have the same or substantially similar notification requirements. Once this agreement is finalized, these requirements will be incorporated into this table.

3.6 Allocation of Diversions to Storage Partners

3.6.1 Allocation of Diversions

Sites Water diverted from the Sacramento River is first used to fill inactive storage. After inactive storage is filled, each Storage Partner will be allocated water diverted from the Sacramento River based on each Storage Partner's Base Facilities Capacity Interest as specified in their respective contract up to each Storage Partner's Storage Allocation or other Storage Allocation leased or acquired. If a Storage Partner's Storage Allocation is not available or is full, then diverted 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 diverted from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir is allocated to Colusa County or other beneficiaries as specified in the Colusa County MOU up to the County's or other beneficiaries' Storage Allocation or other Storage Allocation leased or acquired.¹⁵ If Colusa County's or other beneficiaries' Storage Allocation is not available or is full, then diverted Sites Water from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir will be allocated first to fill inactive storage, and second, proportional to the Storage Allocation of all Storage Partners who have available Storage Allocation remaining.

The timing, volume, and rate of releases into Funks and Stone Corral Creeks are uncertain at this time. Once additional information is known, the Authority may project anticipated release needs for the creeks and hold back allocating water diverted from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir in anticipation of meeting future downstream needs. This allocated creek water will occupy empty space (i.e., Storage Allocation not filled with water) in Sites Reservoir and does not require the Authority to lease space from Storage Partners. In the event that all Storage Partner allocations are full, it is assumed that this water would be held in inactive storage. If and when this water is released from inactive storage, that volume will be accounted for and refilled consistent with Section 4.3 of this Operations Plan. This is expected to be a rare occurrence.

Consistent with the Sites Water Right ~~application~~, all water diverted under the Sites Water Right must be placed into storage in Sites Reservoir and cannot be directly put to beneficial use prior to being stored in Sites Reservoir. Under expected operational conditions, once water is diverted and physically placed into storage it is considered "stored" water. Stored water can be subsequently withdrawn from storage and put to beneficial use per the needs of the Authority and/or the Storage Partners.

All allocations of Sites Water to a Storage Partner's Storage Allocation will be made in Sites Reservoir. Sites Water at diversion locations and in conveyance prior to being placed in Sites Reservoir shall remain held by the Authority and not allocated to individual Storage Partner accounts.

3.6.2 Diversions and Storage Opportunity Request Form

Each Storage Partner shall provide the Authority with a projected request for the volume of Sites Water the Storage Partner seeks to be stored in its respective Storage Allocation or other Storage Allocation leased or acquired in the format requested by the Authority ("Storage Opportunity Request Form"). An example Storage Opportunity Request Form is provided in Attachment E. The timing for providing an initial Storage Opportunity Request Form will be determined in a future version of this Operations Plan. The timing and frequency of changes allowed to the Storage Opportunity Request Form will be determined in a future version of this Operations Plan – with changes anticipated to be allowed with one (1) week advance notification provided that changes cannot go below the amount of Sites Water already allocated in Sites Reservoir to that Storage Partner in that diversion season. For example, if a Storage Partner originally requested its Storage Allocation to be filled but seeks to modify this request to a partial fill, but has already been allocated 50,000 AF in that diversion season in its Storage Allocation, the Storage Partner cannot reduce its partial fill request below 50,000 AF.

¹⁵ The Colusa County MOU allows for water originating from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir to be allocated to others in the future, such as Glenn County. If additional parties are beneficiaries of the Colusa County MOU in the future, then the water diverted from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir would be first allocated to those parties before being allocated to the inactive storage pool or other Storage Partners.

Storage Partners may opt out of receiving diversions into their Storage Allocation. If a Storage Partner opts out of receiving diversions, the amount of unused storage space will remain empty. B&O Section 4.3.3 states that Participants will make efforts to optimize diversion and beneficial use of Sites Water during the Sites Water Right Development Period (prior to the Sites Water Right being perfected to license) and not interfere with the Sites Authority's efforts to do the same. During this time, if a Storage Partner chooses to opt out of fully filling its Storage Allocation with Sites Water, the Authority will evaluate if leaving that Storage Allocation empty would result in forgoing diversion of Sites Water from the Sacramento River in a way that may result in negative consequences when the Authority proceeds to license its water right. If the analysis determines that negative consequences are possible, then the Authority will work with the Storage Partner to strongly encourage the Storage Partner to make arrangements to fill the empty Storage Allocation through voluntary actions (such as a Lease of Capacity Interest or filling and selling the water to other Storage Partners). If the Storage Partner continues to choose to leave their Storage Allocation empty, then the concern will be elevated to the Authority Board of Directors for resolution. The purpose of this activity is to maximize the Sites Water Right when moving to water right licensing in the future for the benefit of all Storage Partners. A Storage Partner opting out of diversions in a year when leaving that Storage Allocation empty would result in forgoing diversion of Sites Water from the Sacramento River in a way that may result in negative consequences to the Sites Water Right development is expected to be an exceptionally rare occurrence.

Storage Partners are not permitted to request specific timing or location for Sacramento River diversions.

3.6.3 Priority of Diversions

The diversion of Sites Water from the Sacramento River will take priority over the release of water from Sites Reservoir using the I/O Works and over the diversion of Other Water (see Section 7.0). Each Storage Partner has equal priority to its share of diverted water consistent with its respective contract.

3.6.4 Losses During Diversions and Conveyance

Anticipated and unanticipated water losses may occur during diversion and conveyance of Sites Water to Sites Reservoir from seepage, operational considerations, or emergency conditions, and similar occurrences. Sites Water diverted by the Authority will be allocated to Storage Partners in Sites Reservoir after losses during diversions and conveyance to Sites Reservoir have been accounted for. In this way, anticipated and unanticipated water losses during diversions and conveyance are spread proportionally among all Storage Partners that are allocated Sites Water during the diversion period.

3.6.5 Deliveries During Diversions

No delivery of Sites Water upstream of Sites Reservoir is allowed in the Sites Water Right. All Sites Water diverted must be placed into storage in Sites Reservoir first, minus any losses. Potential operational and delivery location flexibility may be provided through exchanges which are described in Section 8.0.

4.0 Storage in Sites Reservoir

4.1 Sites Reservoir Storage Capacity

The current estimate for Sites Reservoir storage capacity is 1,470,000 AF based on the most [current recent](#) surveying data. Sites Reservoir storage space available to Storage Partners is 1,410,000 AF after considering an inactive storage pool volume of 60,000 AF.

Storage Partner Storage Allocations are based on each Storage Partner's Base Facilities Capacity Interest and field measurements of reservoir storage capacity, as updated from time to time. Following construction of Sites Reservoir, the actual storage volume will be measured and/or calculated. If the storage volume changes at any time, the available storage will be allocated to Storage Partners based on their Base Facilities Capacity Interest.

4.2 Losses from Storage

Regular losses of water held in storage in Sites Reservoir are expected to result from, but are not limited to, evaporation and seepage. Periodic losses may occur from such things as, but not limited to, facility testing and releases during testing. Infrequent and unusual losses may occur from such things as, but not limited to, emergency releases and firefighting needs. The approach to assessing losses is yet to be determined and will be addressed in a future update to this Operations Plan. All losses of water held in Sites Reservoir storage—including evaporation and seepage—will be estimated on a daily basis. These losses will be allocated to each Storage Partner in proportion to the amount of water in storage that day. No losses will be allocated to the inactive storage pool unless it is the only water in the reservoir.

4.3 Inactive Storage Pool

Sites Reservoir will have a physical inactive storage pool of approximately 11,250 AF, below which water cannot physically be removed from the reservoir using the I/O Works. However, the Authority is currently planning to operate to an operational inactive storage pool of 60,000 ~~±~~ AF under normal conditions.

When filling Sites Reservoir from the Sacramento River, the inactive storage pool (physical and operational) will be filled first. In the event that Colusa County's or other beneficiaries' Storage Allocation is not available or is full under the Colusa County MOU, then diverted Sites Water from Funks and Stone Corral Creeks, and their tributaries, and from the watershed of Sites Reservoir will be allocated first to fill inactive storage and second proportionally to the Storage Allocation of all Storage Partners who have available Storage Allocation remaining. The cost of diverting and conveying water to fill and maintain the inactive storage pool volume will be distributed to Storage Partners based on their Base Facilities Capacity Interest.

Reservoir losses as described in Section 4.2 will not be applied to the inactive storage pool unless it is the only water in the reservoir.

4.4 Storage Allocation

Sites Reservoir storage is allocated to each Storage Partner proportionate to their Base Facilities Capacity Interest in their respective contract. Base Facilities Capacity Interest of each Storage Partner will be tracked and maintained as part of the real-time tracking and accounting described in Section 2.3.

5.0 Releases from Sites Reservoir

5.1 Overall Project Releases

Project releases for the Storage Partners will generally occur in the late spring, summer, and fall months but could happen throughout the year. Export of Sites Water to Storage Partners SOD must occur during the CVP/SWP transfer window¹⁶ each year. Sites Water releases and deliveries to Storage Partners in the Delta (including for rediversion at the Barker Slough Pumping Plant) and NOD, 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. Further discussions of exchanges are included in Section 8.

5.2 Release and Conveyance Facilities

Releases from Sites Reservoir will be made through the I/O Works. The Delivery Point will be Funks Reservoir, TRR, or the Sacramento River at KLOG, ~~or a nearby location~~ as specified by each Storage Partner in their Release Request Form. Releases to Funks Reservoir may be used along the TC Canal. Releases intended for delivery to the Sacramento River will use the Funks Reservoir, TC Canal, then the Dunnigan Pipeline, then the Colusa Basin Drain pathway, where it will outflow to the Sacramento River. Releases to TRR and the GCID Main Canal are considered for use by GCID or as environmental water for NOD wildlife refuges under Proposition 1. These facilities are shown in Figure 2 and **Error! Reference source not found.** and further described in Attachment B.

5.3 Releases to Funks and Stone Corral Creeks

In the construction of Sites Reservoir, Funks and Stone Corral Creeks will be impounded by the construction of the Golden Gate Dam and the Sites Dam, respectively. Releases will be made from Sites Reservoir into Funks and Stone Corral Creeks to comply with California Fish and Game Code Section 5937 and to ensure no injury to downstream water right holders.

Detailed release schedules for releases into Funks and Stone Corral Creeks have not been developed due to lack of information on the conditions in these creeks. Field studies are and will continue being conducted as access is obtained and before final designs for Sites Dam and Golden Gate Dam are completed to determine the following:

- Existing fish assemblage in these creeks, including fish species presence and habitat use;
- Characterization of habitats available (e.g., spawning, rearing, foraging, and sheltering habitats) at varying flow levels;
- Characterization of flows, including assessing the base flow during the summer months;

¹⁶ See footnote 3 on page 6.

- Conducting a fluvial geomorphologic study to characterize bed load and flow levels necessary for mobilization;
- Surface Water Ambient Monitoring Program technical study (i.e., bioassessment) that focuses on relationships between physical habitat, water quality, and benthic macroinvertebrates; and
- Hydrological studies to define flow temperature relationships.

Using information from these field studies, along with currently available information on water right holders downstream of the reservoir, and consistent with the operational agreements described below, the Authority will prepare a Funks and Stone Corral Creeks flow schedule that will be incorporated into this Operations Plan. The flow schedule will identify the approach for releases, including release schedules and volumes, a monitoring plan, and an adaptive management plan. Releases into these creeks will be made in consideration of the flood control benefits of the Project and will not overtop the stream banks and flood downstream areas unless required by emergency conditions.

The operations agreements relative to Funks and Stone Corral Creeks described in Section 3.3.5 also have operational components related to releases to the creeks as described below. Note that this description does not summarize the respective agreements in [their](#) entirety, but rather focuses on the release-related operational components. Executed agreements can be found in Attachment A.

- Colusa County MOU – The amount of Sites Water diverted from Funks and Stone Corral Creeks will be the net amount stored in Sites Reservoir and is dependent on the required releases. Development of the flow schedule, coupled with monitoring and measurement of water released to the creeks, will be important to successful implementation of the MOU and will be addressed in a separate Measurement and Monitoring Plan that Authority staff are developing.
- Maxwell ID Agreement – In the event that diversions from Funks and Stone Corral Creeks affect Maxwell ID operations, the Authority will work with Maxwell ID to address the Project effects to Maxwell ID's operations. This may include increased releases of inflows from the creeks (i.e., passed through the reservoir) in consideration of Maxwell ID's existing water rights.¹⁷
- Anticipated Colusa Drain MWC Agreement – In the event that diversions from Funks and Stone Corral Creeks affect senior water [right holders'](#)~~user~~ operations along the Colusa Basin Drain, increased releases of inflow will be made (i.e., passed through the reservoir) up to the amount of inflow coming into the reservoir but not more (i.e., does not include release of previously stored water) in consideration of existing senior water rights.

As with existing conditions, water released or passed through for environmental purposes into Funks Creek and Stone Corral Creek will be available for downstream water right holders after serving its environmental purpose(s), consistent with California water right law. In other words, releases being made for environmental purposes and downstream water right holders are not additive. The amount of water to be passed through in consideration of existing downstream water rights will not exceed the inflow from Funks or Stone Corral Creeks on any given day.

Releases into Funks Creek will be made through a new pipeline that terminates at Funks Creek below Golden Gate Dam that is designed to have an operating release range of 0 to 100 cfs into Funks Creek.

¹⁷ The Maxwell ID Agreement allows for the Authority and Maxwell ID to work out possible ways to address impacts to Maxwell ID's operations. This may include increased release of water into Stone Corral Creeks or other operational or monetary considerations.

Releases into Stone Corral Creek will be made through the permanent outlet at Sites Dam that is designed to have an operating release of 0 to 100 cfs, with an emergency release capacity of up to 4,700 cfs.

5.4 Release Criteria

Sites Water may be released for uses NOD or in Delta any time the I/O Works are not diverting water to storage. Sites Water for uses along the North Bay Aqueduct may be released: (1) anytime the I/O Works are not diverting water to storage; (2) when the Delta is in Balanced Conditions; and, (3) when opportunities exist for movement of water through the North Bay Aqueduct. Sites Water for uses SOD will be released: (1) when the I/O Works are not diverting water to storage; (2) when the Delta is in Balanced Conditions; ~~and, (3) when opportunities exist for movement of Sites Water non-CVP/SWP project water through the planned redirection facility(ies) Delta Export Facilities if these facilities are planned for redirection of Sites Water (i.e., the transfer window);~~ and (4) if being redirected at the Delta Export Facilities, only in the transfer window of July 1 through November 30 (Source: Water Right Permit Term 45). All releases of Sites Water are subject to downstream capacity constraints and need to be coordinated with TCCA/Reclamation and GCID, as appropriate. All releases of Sites Water for uses beyond the TC Canal and GCID Canal systems require coordination with Reclamation, DWR, and organizations along the lower Colusa Basin Drain. Coordination and notification procedures for releases will be developed in a future version of this Operations Plan. Releases of Sites Water for redirection at the North Bay Aqueduct is subject to concurrence by DWR. Releases of Sites Water for export at the Delta Export Facilities are subject to concurrence by DWR and Reclamation and are further subject to the terms and conditions of the conveyance agreements to be developed for such deliveries.

To the extent possible, the I/O Works ports/tiers will be operated to meet a rice-growing temperature objective of 65°F or higher during the rice growing season (May through September) because cooler water temperatures may inhibit rice growth. When water of this temperature is not available, the Authority will target release flow temperatures to be greater than or equal to the water temperature in the TC Canal and/or GCID Canal. Information regarding this temperature objective is included in the Project Final EIR/EIS.

Releases shall meet the following requirements:

- Releases through the Knights Landing Outfall Gates (KLOG)
 - Releases through KLOG may not be conducted until a temperature monitoring and modeling study is conducted and results are approved by CDFW. Releases must then be implemented consistent with the approved final report. See Source: Operations ITP Term 9.23.
 - Releases through KLOG may not be conducted until a Sacramento River dissolved oxygen (DO) study is conducted and results are approved by CDFW. Releases must then be implemented consistent with the approved final report. Source: See Operations ITP Term 9.25.
 - Releases through KLOG may not be conducted until the Water Quality Portfolio is approved by the State Water Board and being implemented consistent with the Sites Water Right Permit Term 34 through 43. Once the Water Quality Portfolio has been prepared and approved, a future version of this Operations Plan will be updated to reflect the more detailed release requirements in the Portfolio.

- Rediversion of Sites Water at the Export Facilities shall only occur when the following Bay-Delta Plan numeric water quality objectives are met: salinity, including chloride and electrical conductivity; Sacramento River at Rio Vista flows; base Delta outflows; and numeric interior Delta flows, including export limits and Delta Cross Channel Gate closures. Source: Water Right Permit Term 46.
- Rediversion of Sites Water at the Export Facilities is prohibited unless the Water Level Response Plan required by Decision 1641 is updated and approved by the State Water Board. No rediversion of Sites Water is authorized except in compliance with the updated and approved Water Level Response Plan. If the Water Level Response Plan is not updated and approved by the State Water Board prior to the operation of Sites Reservoir, the Authority may work with the State Water Board to adjust this requirement. Source: Water Right Permit Term 49.
- Releases through the Knights Landing Ridgecut are no longer envisioned as part of the Project, but were covered in the Project Final EIR/EIS and Operations ITP. Releases through the Knights Landing Ridgecut, if implemented in the future, require the following:
 - Releases to the Yolo Bypass via the Knights Landing Ridgecut shall only occur from August 1 to October 31. Source:See Operations ITP Term 9.22.
 - Releases to the Yolo Bypass via the Knights Landing Ridgecut shall not result in water temperatures that would exceed 70 degrees F as measured at the Wallace Weir Fish Collection Facility. Source:See Operations ITP Term 9.24.
 - No releases shall occur to the Yolo Bypass via the Knights Landing Ridgecut when dissolved oxygen (DO) levels in the Ridge Cut Slough at Highway 113 (Station A0D84761435)¹⁸ are 5.0 mg/L or lower. Another station may be used or installed by the Sites Authority if Station A0D84761435 is not functional. Source:See Operations ITP Term 9.26.
 - No releases shall occur to the Yolo Bypass via the Knights Landing Ridgecut if adult salmonids are present at the Wallace Weir Fish Rescue Facility. Source:See Operations ITP Term 9.27.

Additionally, the rediversion of Sites Project water at the SOD Export Facilities (Jones and Banks pumping plants) is subject to compliance with the objectives currently required of DWR and Reclamation set forth in Tables 1, 2, and 3 on pages 181 to 187 of [State Water Board Revised Decision 1641 \(D-1641\)](#), or any future State Water Board order or decision implementing Bay-Delta water quality objectives at [either or both of those facilitiesplants](#), including compliance with the various plans required under D-1641 as prerequisites for the use of the Joint Points of Diversion by DWR and Reclamation. Rediversion of water at the Clifton Court Forebay and the Jones Pumping Plant is also subject to compliance with the Record of Decision for the Long-Term Operation of the CVP and SWP, including all applicable biological opinions, Incidental Take Permits, court orders, and any other conditions imposed by other regulatory agencies applicable to these operations.

¹⁸ Ridge Cut Slough at HWY 113 – (Station A0D84761435) - <https://wdl.water.ca.gov/WaterDataLibrary/StationDetails.aspx?Station=A0D84761435&source=map>

5.5 Storage Partner Release Requests, Delivery Locations and Losses

5.5.1 Release Requests

Storage Partners have discretion regarding the amount of water held in their Storage Allocation that they request to be scheduled for release for their use and will have control over the use of their Storage Allocation based on the conditions outlined in their respective contract.

Each Storage Partner shall provide the Authority with a projected request for the volume of Sites Water the Storage Partner would like to be released from the available supply in its Storage Allocation or other Storage Allocation leased or acquired in the format requested by the Authority ("Release Request Form"). An example Release Request Form is provided in Attachment E. The timing for providing an initial Release Request Form will be determined in a future version of this Operations Plan.

The Authority will work with DWR and Reclamation to schedule deliveries south of the Delta. Beginning in February of each year, operations of the reservoir, along with conditions in the Delta, will be reevaluated at least weekly. From such analysis, the Authority will update release and delivery schedules and will coordinate with Storage Partners should any conflicts arise.

5.5.1.1 Conveyance Capacity

Project releases to the CBD may be constrained by capacity in both the Dunnigan Pipeline and the lower CBD. Exports to SOD may be further constrained by export capacity or other Delta operating restrictions. If it is anticipated that releases are constrained, the Authority will coordinate closely with Storage Partners, DWR, Reclamation, TCCA, GCID, and entities along the lower CBD in an attempt to meet the requested water release schedules. If there is a release constraint that will affect the ability to meet the requested schedules, the Authority will work with the conflicted Storage Partners to determine whether accommodations can be made (i.e., Storage Partners voluntarily adjust their release requests). If the conflict cannot be resolved, releases will be made in proportion to the Downstream Facilities Capacity Interest attributable to the conflicted Storage Partners thereby providing Storage Partners with Downstream Facilities Capacity Interest equal priority for releases.

Storage Partners with Downstream Facilities Capacity Interest (through contract rights or lease) determine the use of their Capacity Interest and have first priority rights to use available conveyance capacity in the Downstream Facilities for conveyance of Sites Water and Other Water. This first priority to available conveyance capacity in the Downstream Facilities includes first priority to available capacity above their respective Downstream Facilities Capacity Interest. Storage Partners with Downstream Facilities Capacity Interest will be assessed a wheeling charge for use of Downstream Facilities above their Downstream Facilities Capacity Interest. Possible scenarios are provided below for illustrative purposes only.

- **Downstream Facilities are Capacity Limited**– Storage Partners with Downstream Facilities Capacity Interest seek to convey water through Downstream Facilities and the capacity desired exceeds the capacity available. In this case, each Storage Partner with Downstream Facilities Capacity Interest would be limited to their Downstream Facilities Capacity Interest. As each Storage Partner is limited to their Downstream Facilities Capacity Interest, no additional wheeling charges will be applied. No excess capacity exists for second priority users of Downstream Facilities. This situation is likely rare as it would mean that all Storage Partners with Downstream Facilities Capacity Interest are seeking to use their full Downstream Facilities Capacity at exactly the same time. This is not currently envisioned as a routine operation.

- Downstream Facilities are Capacity Limited, Storage Partners NOT Limited to Downstream Capacity Interest – Storage Partners with Downstream Facilities Capacity Interest seek to convey water through Downstream Facilities. Some Storage Partners are using their full Downstream Facilities Capacity Interest and will exceed their Downstream Facilities Capacity Interest, some Storage Partners are not using their full Downstream Facilities Capacity Interest. In this case, an additional wheeling charge⁵ will be applied for those Storage Partners that are using more than their Downstream Facilities Capacity Interest to ONLY the increment conveyed above their Downstream Facilities Capacity Interest. The proceeds from this wheeling charge will be applied to those Storage Partners that are NOT using their full Downstream Facilities Capacity Interest.
 - If capacity continues to be limited and not all requests for capacity by first priority users can be satisfied, then the increment of available capacity above the sum of each Storage Partners with Downstream Facilities Capacity Interest shall be apportioned proportional based on the Downstream Facilities Capacity Interest of those seeking to use this unused capacity.
 - If capacity remains after all needs of the Storage Partners with Downstream Facilities Capacity Interest are satisfied, then any unused capacity can be utilized by second priority users (those without Downstream Facilities Capacity Interest). A wheeling charges will be applied for: (1) Storage Partners with Downstream Facilities Capacity Interest to ONLY the increment conveyed above their Downstream Facilities Capacity Interest; and (2) to those Storage Partners WITHOUT Downstream Facilities Capacity Interest for all water conveyed. The proceeds from this wheeling charge will be applied to those Storage Partners that are NOT using their full Downstream Facilities Capacity Interest.

Storage Partners with Downstream Facilities Capacity Interest control the use of their Downstream Facilities Capacity Interest but cannot unreasonably withhold such use by others. The Authority will administer the availability of excess capacity upon confirmation by the holder of the Downstream Facility Capacity Interest that all or a portion of their Capacity Interest is being made available to others. The State, [through the Proposition 1 Water Storage Investment Program Contract for Administration of Public Ecosystem Benefits with CDFW](#), is a passive operator of its Capacity Interest and the Authority will assume the responsibility for determining excess use of their Capacity Interest.

Storage Partners without Downstream Facilities Capacity Interest have second priority for conveyance of releases through the Downstream Facilities. Storage Partners without Downstream Facilities Capacity Interest will have access to unused capacity after all the needs of the first priority users are met and may need to adjust their schedule to avoid constraints. If available capacity changes, and unused capacity is no longer available, then Storage Partners without Downstream Facilities Capacity Interest will need to adjust their schedule to avoid constraints. The Sites Authority will work to communicate with second priority users as soon as possible if adjustments are anticipated or need to be made.

Wheeling costs through Downstream Facilities will be described in a future version of this Operations Plan. Wheeling costs shall follow beneficiary pays principles and be consistent with State law.

5.5.1.2 Low Storage Level Considerations

As Sites Reservoir is new and not yet constructed, there is uncertainty as to water quality at low reservoir elevations. If poor water quality conditions occur at low reservoir elevations, then management actions may be needed to ensure that releases into Funks Reservoir, TRR and/or Funks and

Stone Corral Creeks continue to be of sufficient quality¹⁹ and that the Authority can meet all Applicable Laws and Governmental Approvals.

The Authority will annually conduct an analysis of projected reservoir elevations with anticipated Storage Partner release requests. If projected reservoir elevations are estimated to reach or go below elevation 358 feet or approximately 173,500 AF of storage (which corresponds with 30 feet above the 60,000 AF operational inactive storage pool elevation), then the Authority will conduct additional evaluation^s to determine if water quality issues are likely to occur such that the Authority may not be able to make all requested releases and meet all Applicable Laws and Governmental Approvals. If this analysis determines that the Authority may not be able to make all requested releases and meet all Applicable Laws and Governmental Approvals, then meeting all Applicable Laws and Governmental Approvals will take priority over Storage Partner requested releases. In this situation, Storage Partner requested releases may need to be reduced, postponed, or ceased to ensure that the Authority can comply with all Applicable Laws and Governmental Approvals. If Storage Partner requested releases are reduced, release amounts will be in proportion to Base Facilities Capacity Interest. If Storage Partner requested releases are postponed or ceased, then the Reservoir Committee and/or Authority Board, as appropriate, will determine how best to equitably address this situation.

It is important to note that low storage levels occur infrequently in the Project modelling. Low storage levels will develop over time (months or possibly a year or more) such that there will be time to plan and adjust. The Project Final EIR/EIS and Reservoir Management Plan (to be developed) include monitoring actions within and downstream of the reservoir that will inform the analysis called for in this section.

5.5.2 Release Order Adjustments

The Authority will provide regular updates on the scheduling of releases and deliveries. Storage Partners may request changes to their initial release request. The timing and frequency of changes allowed to the Release Request Form will be determined in a future version of this Operations Plan. Current considerations for changes to requested releases include the following.

- Storage Partners receiving water not conveyed through Dunnigan Pipeline – It is anticipated that increases or decreases in requested release amounts can be accommodated with one (1) week advance notice.
- Storage Partners receiving water downstream from Dunnigan Pipeline, not through Delta Export Facilities – It is anticipated that decreases in requested release amounts can be accommodated with one (1) week advance notice. Increases in requested release amounts are anticipated to be needed by the 15th of the preceding month (e.g., an increase in September releases must be requested by August 15).
- Storage Partners receiving water through Delta Export Facilities – It is anticipated that decreases in requested release amounts can be accommodated with one (1) week advance notice. Increases in requested release amounts are anticipated to be needed by the 15th of the preceding month (e.g., an increase in September releases must be requested by August 15) and are subject to approval by DWR and/or Reclamation, as applicable.

¹⁹ This uncertainty was addressed in Chapter 6, Surface Water Quality, of the Final EIR/EIS and in Appendix 2D.

Weekly releases, particularly for those deliveries that must be exported through the Delta, are highly dependent on coordination with DWR and Reclamation. The Authority may shift weekly deliveries as needed. The Authority will notify Storage Partners of any shifts, should they occur.

5.5.3 Deliveries and Losses

The Delivery Point for all Storage Partner releases will be Funks Reservoir, TRR, ~~or~~ the Sacramento River at KLOG, ~~or a nearby location~~ as specified by each Storage Partner in their Release Request Form. The Sites Authority will convey Water beyond the Delivery Point (including through Base and Downstream Facilities) to a Secondary Delivery Point in accordance with Partner Agreements described in Section 9.0 and any other agreements that are relevant to Downstream Facilities. Releases from Sites Reservoir to the Delivery Point and releases conveyed to a Secondary Delivery Point are subject to conveyance losses, including but not limited to conveyance losses in the TC Canal, lower ~~CBDelusa Basin Drain~~, Sacramento River, ~~Knights Landing Ridgecut, Yolo Bypass~~, and carriage water²⁰ associated with export of water from the Delta Export Facilities, as appropriate.

The Sites Water Right allows for the redirection of Sites Water at a number of facilities located throughout the state which are anticipated to be used as Secondary Delivery Point(s) – termed points of redirection in the Sites Water Right. Storage Partners may specify a Secondary Delivery Point(s) in their respective Release Request Form. The Authority will review the Secondary Delivery Point(s) to ensure that delivery of Sites Water is consistent with the Sites Water Right. Identification of Storage Partner’s Secondary Delivery Point(s) for the year will also provide key information needed by the Authority to evaluate Downstream Facilities capacity availability, consider timing of deliveries to all Storage Partners, and coordinate with DWR and/or Reclamation for redirection at Delta Export Facilities. The Sites Authority will take actions reasonably practicable to assist Storage Partners in conveying their Water to a Secondary Delivery Point(s). Such actions taken by the Sites Authority are subject to Applicable Law, Governmental Approvals and Partner Agreements. Storage Partners shall bear all costs (monetary or otherwise), including the risk of loss and any shortfall or reduction in water between the Delivery Point and the Secondary Delivery Point(s).

Costs (monetary or otherwise) associated with the Authority’s efforts to convey water to a Secondary Delivery Point, including equitable distribution of costs, cost recovery, and similar, will follow the beneficiary pays principle and will be addressed in a separate document in the future.

5.6 Releases to Satisfy Terms of Operations Agreements

Although expected to be infrequent, releases may be necessary to satisfy the terms of existing operations agreements. These releases would occur consistent with all Applicable Laws and Governmental Approvals. These releases will have priority over all other releases as these releases are necessary for the Project to comply with Applicable Laws and/or Governmental Approvals. Releases to satisfy the terms of existing operations agreements are expected to be infrequent as actions in the

²⁰ Carriage Water is 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 SWP and CVP. DWR and Reclamation will determine the amount of Carriage Water that is needed for the Sites Water releases to the Sacramento River for SOD water users in a similar manner as DWR and Reclamation calculate Carriage Water for water transfers originating from the Sacramento River. The methodology for determining Carriage Water will follow similar principles as described in the Draft Carriage Water Overview for Non-Project Water Transfers, dated October 2019, and as updated. See https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/State-Water-Project/Management/Water-Transfers/Files/Draft_CarriageWaterOverview_20240215.pdf.

operations agreements are intended to avoid circumstances which would result in the need for “payback” releases. As such, the Reservoir Committee and/or Authority Board, as appropriate, will determine how best to equitably, based on beneficiary pays principles, address costs, including wheeling costs, and how to account for such releases among the Storage Partners (including adjusting the amount of water in Storage Partners’ Storage Allocations to make such releases available).

6.0 Sites Water Sales or Exchanges

Storage Partners may sell or exchange their Sites Water to other Storage Partners or other entities. The terms of sales or exchanges of Sites Water are at the sole discretion of the Storage Partner(s) and/or entities. The concepts of specific exchanges are still being developed and additional detail will be included in a future version of the Operations Plan. The Authority will continue to endeavor to ensure all details of any potential exchange maintain compliance with all Applicable Laws and Governmental Approvals.

The Authority will develop and maintain a database accessible to other Storage Partners where individual Storage Partners can identify their interest in a sale or exchange of Sites Water or leasing or sale of Base and/or Downstream Facilities Capacity Interest (both buyers and sellers). Participation in the database will be voluntary and is only intended to facilitate connection of interested parties in these transactions.

Terms of a sale or exchange must not negatively impact other Storage Partners’ rights to store or convey water consistent with their respective contract. The factors that determine what constitutes a negative impact to other Storage Partners will be reflected in a subsequent version of this Operations Plan. Any sale or exchange of Sites Water cannot negatively impact the Sites Water Right. The selling entity should also consider that if the Authority is to convey the sold water to a Secondary Delivery Point, this action will need to be consistent with all relevant Applicable Laws and Governmental Approvals for the Sites Project.

Following agreement between the two entities, notice of the sale or exchange shall be provided to the Authority so that Project operations and Sites Water accounting may be maintained.

7.0 Other Water

The respective Storage Partners’ contracts are anticipated to allow for the diversion, storage and release of Other Water (water not appropriated under the Sites Water Right) in Project facilities in the future, subject to compliance with all Applicable Laws and Governmental Approval. The Authority will take reasonable steps to facilitate these requests. The use of Project facilities for Other Water will be addressed and considered by the Authority on a case-by-case basis, subject to compliance with all Applicable Laws and Governmental Approvals. The use of Project Facilities for Other Water must not negatively impact other Storage Partners’ rights as set forth in the B&O Contract or the State and Federal Contracts (as applicable).

8.0 Exchanges

The operation of the Project includes the potential for exchanges of water with the CVP and SWP. Exchanges have the potential to assist the CVP and SWP in meeting their regulatory obligations and their

authorized purposes including to protect, restore and enhance fish, wildlife, and associated habitats, provide water supply and generate power. Exchanges would only be conducted when they would be neutral or net beneficial to CVP and SWP operations and not affect the ability of the CVP or SWP to meet applicable laws, regulations, biological opinions and incidental take permits, contractual deliveries, and court orders in place at the time. The exchanges are expected to primarily occur with Lake Oroville. Exchanges are also expected to take place in real-time with local Storage Partners.

All exchanges contemplated by the Authority can be accomplished through the Sites Water Right and existing water rights of the CVP and SWP.

A Storage Partner's, DWR's, Reclamation's, and any real time exchange partner's participation in any exchange is voluntary. Exchanges are not mandatory on any party.

- Real-time exchanges will be used to support timing of releases and deliveries to both NOD and SOD Storage Partners. These exchanges will be initiated by Storage Partners and are expected to help minimize capacity constraints along the Dunnigan Pipeline as well as the delivery of water to Storage Partners upstream of the release facilities.
- Exchanges with Oroville will be used primarily to increase the flexibility and yield of Sites Reservoir. Upon request of a Storage Partner, and contingent on approval by DWR, water would be released from Sites Reservoir to meet SWP purposes, resulting in reduced releases from Lake Oroville which would be stored for use later in the year.
- Exchanges with the CVP will generally be for a portion of another Sites Participant's water, that will be made in a single year, voluntarily purchased by Reclamation, and as coordinated between Reclamation and the Authority.

Attachment D provides additional information regarding exchanges and the associated operational parameters.

Exchanges must meet the following parameters²¹:

- Be consistent with the Operations ITP. ~~Source:See~~ Operations ITP Term 9.18.
- Exchanges with Oroville Reservoir may not result in DWR not meeting its regulatory requirements. ~~Source:See~~ Operations ITP Term 9.20.
- Exchanges may not be conducted until a Water Exchange and Temperature Management Plan is developed and approved by CDFW. Exchanges must then be implemented consistent with the approved Water Exchange and Temperature Management Plan. ~~Source:See~~ Operations ITP Term 9.21.
- Water cannot be releases from Sites Reservoir in exchange for water to be diverted or rediverted at the Delta Export Facilities unless the diversion or rediversion of the exchanged

²¹ Exchanges with Shasta Lake have been removed from this Operations Plan consistent with Reclamation's request. It is noted that if these are implemented in the future, exchanges with Shasta Lake may not result in Reclamation not meeting its regulatory requirements. See Operations ITP Term 9.19.

[water at the Delta eExport fFacilities complies with Sites Water Right Permit tTerms 45, 46, 48, 49, and 50. Source: Water Right Permit Term 44.](#)

- [Exchanges cannot result in violation of any law, regulation, biological opinion, incidental take permit, court order, or State Water Board decision or order, applicable to the other water right or, if the exchange involves SWP or CVP water rights or infrastructure, operation of the SWP or CVP. Source: Water Right Permit Term 51.](#)
- [Note that Water Right Permit Term 50 requires posting certain information related to the exchange on a publicly available website prior to starting releases for the exchange. Source: Water Right Term 50.](#)

9.0 GCID and TCCA Considerations

The Authority intends to enter into Partner Agreements with GCID and TCCA. Because the RBPP and TC Canal are owned by Reclamation, the agreement with TCCA will be in addition to an Excess Capacity Contract required for the use of federal facilities. Close coordination will be required between the Authority and operators at TCCA/Reclamation and GCID.

The Authority will make decisions on when and how much water to divert at RBPP and HCPS for the purposes of the Project. Similarly, the Authority will make the decision on when and how much water to release from Sites Reservoir to a specific location (Funks Reservoir or TRR). These decisions cannot be delegated to GCID and TCCA/Reclamation but must be made in close coordination with GCID and TCCA/Reclamation. As they currently do, GCID and TCCA/Reclamation will continue to own and operate their facilities, including the diversion of Sites Water and conveyance of Sites Water in their facilities to either Funks Reservoir or TRR and, upon release of Sites Water, from either Funks Reservoir or TRR to the location requested by the Authority.

Operation of the Project and use of capacity in partner facilities must not negatively impact GCID and TCCA/Reclamation's ability to meet existing legal and contractual obligations or negatively impact their regular customers.

9.1 Coordination

The Authority will coordinate annually with GCID and TCCA/Reclamation on diversion and release schedules of Sites Water, availability and scheduling of exchanges, and planned maintenance windows and conveyance facility downtime. The purpose of this annual coordination is to share information and begin planning for opportunities and constraints anticipated in the upcoming year. The timing of this annual coordination will be addressed in a future version of this Operations Plan.

It is also anticipated that the Authority, GCID, and TCCA/Reclamation will develop a coordination procedure and coordination templates to quickly and efficiently coordinate operations on a monthly, weekly and daily basis.

9.1.1 TCCA Coordination

Daily operations will be coordinated closely with the Red Bluff and Willows Offices of TCCA. In particular, operations will be closely coordinated in the shoulder and transition seasons, when diversions for the Project are occurring at the same time as diversions and deliveries for TCCA contractors. Close

operations will also be necessary for frost water, which could occur when the Project is diverting and may require water to pass through Funks Reservoir for TCCA users on the downstream portion of the TC Canal. TCCA will remain the lead operator for the RBPP and the TC Canal. The Authority will have an operator responsible for the diversions into Sites Reservoir at Funks via the Funks [Pumping Generating Plant](#) (PGP). TCCA operations will take priority over Sites operations, although the two entities will coordinate closely to adjust operations to achieve operational objectives.

The Authority operator will also be responsible for the releases from Sites Reservoir to Funks Reservoir for downstream conveyance. These releases will be coordinated with TCCA operations to ensure the appropriate flow of TC water passes through Funks Reservoir for downstream TCCA users, in addition to the Water released from Sites Reservoir for delivery to Storage Partners.

It is anticipated that the Project's Supervisory Control and Data Acquisition (SCADA) system will also duplicate some of the TCCA system. This will allow logic and alarms to respond appropriately to changing conditions at the RBPP, along the TC Canal, and in Funks Reservoir. The Authority will work with TCCA in responding to any emergency operations required, and coordination with TCCA will be included in Project's Emergency Action Plan.

9.1.2 GCID Coordination

Daily operations will be coordinated closely with GCID's operations in Hamilton City. In particular, operations will be coordinated during the shoulder and transition seasons, when diversions for the Project are occurring at the same time as [diversions and](#) deliveries for GCID. Close operations will also be necessary for real-time exchanges, when GCID will receive water from the Project in lieu of [GCID](#) diversions from the Sacramento River. GCID will remain the lead operator of the HCPS and the GCID Main Canal. The Authority will have an operator responsible for the diversions into the Sites Reservoir at TRR via the TRR PGP. GCID operations will take priority over Project operations, although the two entities will coordinate closely to adjust operations to achieve operational objectives.

The Authority operator will also be responsible for the releases from Sites Reservoir to TRR. These releases will be coordinated with GCID operations.

It is anticipated that the Project's SCADA system will also duplicate some of the GCID system. This will allow logic and alarms to respond appropriately to changing conditions at the HCPS, along the canal, and in the TRR. The Authority will work with GCID in responding to any emergency operations required, and coordination with GCID will be included in Project's Emergency Action Plan.

9.2 Losses

GCID, TCCA/Reclamation, and the Authority will determine a process to agree upon reasonable loss rates for water transportation losses in partner facilities. Changes in loss assumptions will go through a process of verification and approval by GCID, TCCA/Reclamation, and the Authority, as appropriate for that facility. Losses for these facilities will be addressed in a future version of this Operations Plan.

10.0 Coordination with CVP and SWP

Success of the Project requires close coordination with Reclamation and DWR. The Authority is currently developing the [Anticipated Sites/Reclamation/DWR Operations Agreement](#) with these agencies to address issues related to operations of the Project. Through the implementation of this agreement, it is

expected that the Project will cooperatively interface with the existing and ongoing real-time decision-making processes. The goal is to avoid adverse effects and, potentially, provide benefits to CVP and SWP facilities, operational plans, listed species, public health, safety, and water supply reliability.

The anticipated Sites/Reclamation/DWR Operations Agreement will be focused on day-to-day coordination and communications protocols and procedures among the parties to ensure compliance with the proposed water right permit term. The Authority, DWR, and Reclamation are engaged in technical discussions to evaluate coordination and communications protocols and continue to work towards finalizing the Operations Agreement. It is expected that the final Sites/Reclamation/DWR Operations Agreement, to implement the Sites Project water right term and condition, would be executed prior to Sites Storage Partners executing contracts with the Authority for Capacity Interest in the Sites Project, which is expected to occur after the receipt of critical permits and approvals, including the final water right decision.

11.0 Drought Emergency Response Program

At the time of preparation of this Operations Plan, the Sites Authority is pursuing a Contract for Administration for Public Benefits with the Department of Water Resources (CAPB-DWR) to receive State Proposition 1 funds relating to the Sites Project delivering public benefits associated with drought emergency response and associated adaptive management requirements. The CAPB-DWR is expected to require that the Sites Authority prepare a Drought Emergency Response Program (DERP). As described in the draft CAPB-DWR, the DERP will need to consider hydrological conditions, system-wide and Sites facilities operations constraints, Sites Participants anticipated use of their Capacity Interest, and an examination of drought conditions throughout the State. The DERP is to be developed and adopted within 7 years from the execution of the Funding Agreement with the California Water Commission and reevaluated every 5 years after implementation based on best available science and the most current forecast informed reservoir operation approach.

The DERP is proposed to be incorporated into a future version of this Operations Plan consistent with the following general outline:

1. Project operations will prioritize and maximize diversions of Sites Water into storage which will be allocated as provided for consistent with the respective Storage Partner contracts.
2. A portion of the State's Proposition 1 funding is intended to achieve a drought emergency public benefit and all Participants have agreed to reasonably cooperate with any actions and provide any information reasonably necessary to demonstrate CAPB-DWR compliance. Such actions and information by Participants may include:
 - a. Consideration of voluntary transfer of Sites Water to Participant areas in drought emergency where the Participant has deemed additional supplies necessary.
 - b. Data and records necessary to account for storage of Sites Water and demonstrate Sites Water deliveries during drought emergency conditions.
 - c. Actively participate in DERP implementation upon activation and associated coordination.
 - d. Future consideration of advanced approaches to reservoir storage management such as conjunctive use with groundwater storage, forecast informed reservoir operations.

- e. Participate in good faith to assist the Sites Authority in fulfilling the adaptive management actions specified in the CAPB-DWR.
 - f. The DERP will include accounting requirements for the use and delivery of Sites Water delivery in emergency years from SOD storage.
3. The Sites Authority would ensure the Sites Water made available from the Sites Reservoir for drought emergency is delivered to the Secondary Point of Delivery designated by the applicable Participant. The Participant would be responsible for ensuring and demonstrating Sites Water delivered during drought emergency that has previously been moved SOD is delivered to the Participant's designated location.

12.0 Storage Partner Reporting

The Sites Authority is responsible for reporting and accounting for Sites Water under the Sites Water Right. The Sites Authority anticipates that to complete the Annual Water Right report for the Sites Water Right, it may need information from individual Storage Partners, including how Sites Water was beneficially used by Storage Partners. The type of information and timeframes for submittal of such information to the Sites Authority will be developed in a future version of the Operations Plan after the Sites Water Right is issued and accounting/reporting procedures and needs are better understood.

The Sites Authority will also be responsible for reporting and accounting for other operations-related activities in its other permits, approvals, and Project-related agreements. Although the Sites Authority currently anticipates that it will have / collect all of the data necessary for this reporting, if any information is needed from Storage Partners to complete such reporting activities, this section would be updated in the future to reflect the type of information and timeframes for submittal of such information.

13.0 Other Considerations

13.1 Emergencies

The Project includes the design and operation of facilities to meet California Division of Safety of Dams (DSOD) criteria and requirements for emergency reservoir drawdown. Emergency releases will be governed by the Project's Emergency Action Plan, which is required by law and is prepared as part of the DSOD review and approval process; the details of emergency release are not covered here. The Reservoir Committee and/or Authority Board, as appropriate, will determine how best to equitably share losses due to emergency releases, if any occur in the future.

13.2 Flood Situations

The Project will provide flood damage reduction benefits to portions of Colusa County, including the town of Maxwell and the surrounding agricultural areas. The Authority is intending to receive Proposition 1 funds in exchange for providing these benefits. The Authority is currently negotiating a Flood Adaptive Management Plan for the purposes of the Public Benefits Contract required under Proposition 1, which is anticipated to require the development of a Flood Management Plan. The Flood Management Plan is anticipated to be a separate document from this Operations Plan and must be

developed and adopted within 6 years from the execution of the Funding Agreement with the California Water Commission and reevaluated every 5 years.

The Authority currently anticipates that the flood damage reduction benefits being paid for by Proposition 1 will be provided when the reservoir is operated within the normal operating reservoir levels, and thus the parameters developed below are intended to ensure that compliance is not expected to infringe on any Storage Partner's capacity rights.

While the specific operational details of the Flood Management Plan have not yet been developed, the Authority anticipates that it may need to maintain *empty* storage space during the flood season ("Flood Storage Space"); in an amount that is sufficient to capture potential incoming water from the Funks Creek and Stone Corral Creek watersheds and provide the Project's flood damage reduction benefits. The Authority may address the need for Flood Storage Space in the following ways:

1. If Sites Reservoir is not full and not near full, then any necessary Flood Storage Space would occupy unused Storage Partner Storage Allocations.
2. If Sites Reservoir is near full, diversions from the Sacramento River are ongoing, and these diversions will encroach into the necessary Flood Storage Space, then the Authority will ramp down or cease Sacramento River water diversions. In this situation, the Authority will track how much Sacramento River water could have been diverted and allocated to Storage Partner(s), by each individual Storage Partner, up to each Storage Partner's Storage Allocation or maximum request in their Storage Opportunity Request Form. This amount will be allocated on a daily basis and will be tracked as "removed" from the inactive storage pool. In this situation, the Storage Partners allocated water from the inactive storage pool will incur a variable cost for the Water that was allocated from the inactive storage pool that is equal to the average cost of diversions for all other Storage Partners.
3. If Sites Reservoir is near full or is full such that water needs to be released to create the Flood Storage Space, then any necessary Flood Storage Space would be created through either method:
 - Voluntary means, such as encouraging Storage Partners to release previously stored Water from their Storage Allocation in sufficient quantities to create the necessary Flood Storage Space. In this situation, those Storage Partners that voluntarily release water will be credited for Sacramento River diversions and will need to pay the variable cost in the same way as described above in #2, up to the initial amount of water released for the purposes of creating Flood Storage Space.
 - Authority will release water from the inactive storage pool to create any necessary Flood Storage Space. In this situation, refilling of the inactive storage pool will continue to be consistent with Section 3.6.1.

Situations could also arise in which both strategies 2 and 3 are used in combination. For example, if a total of 30,000 AF of Flood Storage Space is needed and there is 20,000 AF of empty capacity available for Flood Storage Space. An additional 10,000 AF of Water would need to be released either through voluntary means or from the inactive storage pool (situation #3 above) to create the total 30,000 AF of Flood Storage Space needed. In this scenario, some Storage Partners may also be prevented from fully filling their Storage Allocation to ensure that the Flood Storage Space is maintained (20,000 AF in this

scenario) as the Project's Sacramento River diversions would cease. Crediting this lost opportunity to fill a Storage Partner's Storage Allocation would follow situation #2 above.

This section will be revisited once the Flood Management Plan is in its final stages of development to ensure consistency and confirm and finalize the approach proposed.

The Authority will work with local, state, or federal entities in the future to adjust operations to protect life and property in flood situations.

13.3 Recreation and Power

The Project's recreation benefits, power use, and power generation benefits are secondary to the Project's water supply and flood damage reduction benefits. However, to the extent possible consistent with this principle, the Authority will work to schedule Project activities to be considerate of recreational uses along with working to minimize power use and maximize power production.

14.0 Pro-rata Calculations

The Benefits and Obligations Contract and the Partnership Agreement require pro-rata calculations in the following sections:

- Benefits and Obligations Contract - Sections 4.2.3, 4.3.4, 4.4.3, 6.13.26, 8.1.1, 8.2.1, 10.3.2, 10.3.6, 10.3.7 and 11.1.
- Partnership Agreement – Sections 10(a), 11, and Exhibit E.

The Reservoir Management Board shall approve equations for each of those pro-rata allocation calculations 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 the Benefits and Obligations Contract. Examples applying these equations will be provided in an appendix to this Operations Plan in a future version of this Plan.

~~14.0~~15.0 Changes to this Operations Plan

This ~~Draft for Distribution~~ Version 2.3 of the Operations Plan is being included as an attachment to provided to the Storage Partners as they consider the Benefits and Obligations Contract ~~and their participation in the Project. The Final Version 2.3 and~~ is expected to be considered by the Authority's Reservoir Committee and Board of Directors ~~in late summer/fall 2026.~~

This Operations Plan will continue to be updated as details surrounding Project operations permits, including the water right, are further defined. Subject to the Authority Bylaws ~~and the Sites Joint Powers Authority Agreement,~~ changes to the Operations Plan are subject to approval by the Reservoir Committee and the Board of Directors (as applicable, assuming changes occur prior to the full execution of the Benefits and Obligations Contract and formation of the Reservoir Management Board), or the Reservoir Management Board, as applicable at the time of the revision and as described in the then-applicable Authority Bylaws. Prior to any such approval, the prior version of the Operations Plan shall remain in full force and effect.

Attachment A

MOUs and Agreements Related to Project Operations

The following MOUs and agreements have been executed by the Authority and are included herein:

- Memorandum of Understanding Between Colusa County and the Authority Regarding Area of Origin Water Rights Claims to Funks and Stone Corral Creeks, and Related Matters dated November 22, 2021 (Colusa County MOU);
- Agreement between the Authority and Contra Costa Water District to Coordinate in the Operations of the Sites Reservoir Project dated December 20, 2023 (CCWD Agreement);
- Agreement between the Authority and Maxwell Irrigation District to Avoid Impacts of Sites Reservoir Project to Maxwell Irrigation District Water Rights dated April 9, 2024 (Maxwell ID Agreement);
- Memorandum of Understanding Between the North Delta Water Agency and the Authority dated August 30, 2023 (NDWA MOU); and
- Settlement Agreement between the Authority, the State Water Contractors, and the Department of Water Resources dated June 7, 2024 (Sites/SWC/DWR Settlement Agreement).

Additional MOUs and agreement will be added in the future as described in Section 1.0 of this Operations Plan as they are completed and executed by the Authority.

Insert agreements file – page 1

Page 52 – last page

Attachment B

Facility Descriptions

The following sections describe the facilities that may be used in the operation of the Project. The location of these facilities is shown in Figure 2 and **Error! Reference source not found.** of the Operations Plan. Facilities are described below in order of operational process (i.e., diversion, storage, release).

Diversion and Conveyance Facilities

i. Red Bluff Pumping Plant, Tehama-Colusa Canal, and Funks Reservoir

The Project would divert water from the Sacramento River at the existing RBPP and HCPS (described below). Water diverted at the RBPP enters the TC Canal to be conveyed to Sites Reservoir. The RBPP and TC Canal are owned by Reclamation and operated by the TCCA. Diversions at the RBPP will be in addition to those occurring for TCCA members as part of their CVP contracts. The RBPP will have a capacity of 2,500 cfs after capacity improvements are made to serve the Project. The facility has a fish screen that meets National Marine Fisheries Service and CDFW criteria for 2,500 cfs. The total conveyance capacity of the TC Canal at the upstream end of the canal is 2,530 cfs and 2,100 cfs at Funks Reservoir (described below).

The TC Canal is concrete lined, resulting in relatively minor seepage losses during the conveyance of Sites Water. Losses occurring between the RBPP and Sites Reservoir are estimated to be 1 ~~to 2~~ percent. However, the actual losses incurred will be estimated during Project operations. The TC Canal can be out of service for maintenance periodically during the mid-December to mid-February timeframe.

The existing Funks Reservoir will be used as a regulating reservoir to temporarily store water from the TC Canal for pumping to, and for release from, Sites Reservoir. Funks Reservoir will have an estimated storage capacity of 2,250 AF following dredging to restore the regulating reservoir's original design capacity. Funks Reservoir is periodically drained from mid-December to mid-February during the canal maintenance period. Funks Reservoir operates at a water surface elevation of 200 to 205 feet, with a preferred operational water surface elevation range of 202 to 204 feet.

The newly constructed Funks Pumping Generating Plant (PPGP) will be used to pump water from Funks Reservoir to Sites Reservoir with a pumping capacity of 2,100 cfs and a generating capacity of up to 2,000 cfs. The ~~pumping-generating plant~~PPGP will require a substation to provide electricity to the associated facilities. The newly constructed Funks Pipeline will convey water approximately 1 mile between the ~~pumping-generating plant~~PPGP and Sites Reservoir.

ii. Hamilton City Pump Station, Glenn-Colusa Irrigation District Main Canal, and Terminal Regulating Reservoir

Water diverted from the Sacramento River at the existing HCPS enters the GCID Main Canal. The HCPS and the GCID Main Canal are owned and operated by GCID. Diversions at the HCPS will be in addition to those occurring for uses in the GCID system. The HCPS has a diversion capacity of approximately 3,000 cfs at the Sacramento River intake. The facility has a fish screen that meets National Marine Fisheries

Service and CDFW criteria. The total conveyance capacity of the GCID Main Canal is ~~assumed to be 1,800~~2,100 cfs at the TRR, described below.

The GCID Main Canal is unlined, resulting in larger seepage losses than the TC Canal during the conveyance of Sites Water. Losses from the HCPS to Sites Reservoir are estimated to be 2 percent from November to March and 13 percent from April to October. However, the actual losses incurred from the HCPS to Sites Reservoir will be estimated during Project operations. The GCID Main Canal can be out of service for maintenance periodically from time is generally 2 weeks in late~~early~~ January ~~or early~~to late February.

The newly constructed TRR will be a regulating reservoir with up to 600 AF capacity constructed adjacent to the GCID Main Canal, approximately 2 miles east of Funks Reservoir. The TRR will be excavated below grade and has been deemed non-jurisdictional by DSOD. The TRR would have earthen embankments at the perimeter with impermeable lining consisting of a geomembrane overlying geocomposite placed over compacted earth. The TRR would be hydraulically connected to the GCID Main Canal to allow water to be conveyed to and from Sites Reservoir. The TRR would accommodate inflows of up to 1,800 cfs.

The newly constructed TRR PGP will be used to pump water from the TRR to Sites Reservoir with a pumping capacity of 1,800 cfs. The generating plant will have a capacity of 1,000 cfs. TRR pipelines would convey water approximately ~~4 to 4.5~~3 miles between the TRR PGP and Sites Reservoir.

Release and Conveyance Facilities

The following sections provide a general description of the release and conveyance facilities that may be used in the operation of Sites Reservoir. The location of these facilities is shown in Figure 2 and **Error! Reference source not found..**

i. Tehama-Colusa Canal

Most releases from Sites Reservoir would flow into the existing Funks Reservoir and into the existing TC Canal. Sites Water would flow within the TC Canal and would either be diverted for delivery to local Storage Partners or would flow 40 miles south to the new Dunnigan Pipeline. Releases to the TC Canal would be limited by available downstream capacity in the TC Canal, Dunnigan Pipeline, lower Colusa Basin Drain, and capacity at the Delta Export Facilities or other points of redirection (if applicable). Water would be released from the TC Canal into the Dunnigan Pipeline through a gravity outlet structure.

ii. Dunnigan Pipeline

The Dunnigan Pipeline will convey Sites Water from the TC Canal to the Colusa Basin Drain. The conveyance through the Dunnigan Pipeline to the Colusa Basin Drain would use gravity and has a proposed capacity of 1,000 cfs.

iii. Colusa Basin Drain

The Dunnigan Pipeline will convey Sites Water to the existing Colusa Basin Drain at a maximum flow of 1,000 cfs. From the Colusa Basin Drain, water may either be discharged into the Yolo Bypass or into the Sacramento River via the Knights Landing Outfall Gates for redirection downstream. Releases into the Yolo Bypass are no longer envisioned as part of the Project, but were covered in the Project Final EIR/EIS

and Operations ITP. Releases into the Yolo Bypass would flow from the Colusa Basin Drain through the Knights Landing Ridgecut.

iv. Glenn-Colusa Irrigation District Main Canal

Sites Water will also be released into the TRR and the GCID Main Canal for use by GCID or NOD wildlife refuges as environmental water for Proposition 1. Sites Water may be released to the GCID system for delivery to NOD wildlife refuges in all water year types but is generally not needed in wet year types. The water could be delivered any time of the year, although it is expected that it rarely would be released for this purpose from January through March during the Project's primary diversion season.

Attachment C

Additional Appropriative Water Rights that are Senior to Project Diversions From Funks and Stone Corral Creeks

Priority Date	Application Number	Permit Number	Owner
Those Generally Applicable to Diversions from Funks and Stone Corral Creeks			
11/29/1979	A026141	19426	Buckhorn Ranch
3/12/1987	A028985	20401	Garreth B Schaad
05/30/1995	A030445	21004	Maxwell Irrigation District
11/5/1980	A026604	19117	Mumma Bros A Partnership
4/13/1992	A029471	20615	Knaggs Farming Land Company, LP & Hersey Land Company, Neal J Dow Family LP
8/4/1992	A030169	20721	Silver Bullet Farms
Those Generally Applicable to Diversions from the Sacramento River			
12/22/1977	A025616	18150	City Of West Sacramento
9/28/1983	A027893	19856	Contra Costa Water District
06/13/1995	A030454	21209	County of Sacramento and Sacramento County Water Agency
02/18/1999	A030838	21101	Glenn Colusa Irrigation District
05/01/1978	A025727	19400	Natomas Central Mutual Water Company
11/02/1994	A030410	20933	Pelger Mutual Water Company
11/19/1998	A030812	21132	Princeton Codora Glenn Irrigation District
11/19/1998	A030813	21133	Provident Irrigation District
05/13/2003	A031436	21274	Reclamation District #108
01/20/2012	A031919	21378	River Garden Farms
09/07/1984	A028238	13351	Willow Creek Mutual Water Company
04/19/1994	A030358	20281	Woodland Davis Clean Water Agency

Attachment D

Exchanges and Related Operational Parameters

The proposed operation of the Project includes exchanges of water with the CVP and SWP. Exchanges have the potential to assist the CVP and SWP in meeting their regulatory obligations and their authorized purposes including to protect, restore and enhance fish, wildlife, and associated habitats, provide water supply and generate power. Exchanges would only be conducted when they would be neutral or net beneficial to CVP and SWP operations and not affect the ability of the CVP or SWP to meet applicable laws, regulations, biological opinions and incidental take permits, contractual deliveries, and court orders in place at the time. The exchanges are expected to primarily occur with Lake Oroville.

To support timing of releases and deliveries to both NOD and SOD Storage Partners, real-time exchanges or transfers with local Storage Partners may occur. This type of exchange or transfer is most likely to occur with GCID but could also occur with other Sacramento River Settlement Contractors and Reclamation. Instead of diverting all or a portion of its water from the Sacramento River, the local Storage Partner would receive a portion of its water from Sites Reservoir. A portion of the local agencies' supply would be left in the Sacramento River (i.e., not diverted by that contractor or agency) and used for other Storage Partners. This exchange is expected to occur to minimize capacity constraints along the Dunnigan Pipeline as well as the delivery of water to Storage Partners upstream of the release facilities.

Exchanges with Lake Oroville would be done primarily to increase the operational flexibility and yield of Sites Reservoir. Exchanges with Lake Oroville would be formulated to facilitate Project deliveries to Storage Partners and may also improve cold-water pool conditions at Lake Oroville. Under a Lake Oroville exchange, water would be released from Sites Reservoir primarily in June and July to meet SWP purposes. By reducing releases from Lake Oroville in these months, the storage in Lake Oroville would be preserved for use later in the year, typically during critical months of the cold-water pool management season (August and September). In late summer and fall (i.e., August through November), DWR would release an equivalent amount of water from Lake Oroville for Storage Partners.

The following information is based on Appendix 5A1 (pages 5A1-29 through 5A1-31) of the Final EIR/EIS regarding modeled and assumed operational parameters for exchanges. Additional information on exchanges will be developed and will likely replace the information below in a future version of the Operations Plan.

Real-Time Exchange

Sites Reservoir may release water via an in-lieu transfer with GCID. Instead of pumping water from the Sacramento River, GCID would receive its contracted CVP supply via Sites Reservoir and forego diversions in a corresponding volume from the Sacramento River. The foregone diversion that remains in the Sacramento River would remain instream and serve as a Sites release to other Storage Partners.

Oroville Exchange

The Lake Oroville exchange period would be limited to June and July. This exchange period would start in June due to the high degree of uncertainty in forecasting through Delta transfers during spring months. Forecasting through Delta transfers any earlier than June would pose a substantial risk to losing

Sites water via spills from Lake Oroville. The exchange period would end in July to protect green sturgeon (*Acipenser medirostris*) habitat in August.

In Wet and Above Normal Water Years, Sites transfers to SOD Storage Partners would be limited. As such, the majority of Lake Oroville exchanges are expected to occur in Below Normal, Dry, and Critically Dry Water Year types.

The majority of exchange water would be released in August and September because releases from October 15 through November 30 are required to comply with Feather River fall stability flow requirements. Per fall stability flow requirements, total Lake Oroville releases to the Feather River below the Thermalito Afterbay Outlet are limited to 2,500 cfs from October 16 through November (California Department of Water Resources, 2008). All exchange water must be released in the August through November period. If exchange water is not released by the end of November, it would be subject to spill.

The Oroville Exchange operation is summarized in Table 5A1-16.

Table 5A1-16. Modeled Criteria for Oroville Exchange

	Modeled Criteria	Notes
Exchange Period	June – July	
Exchange Constraints		
Water year types	Below Normal, Dry and Critically Dry water years	
Release Period	August – November	
Release Constraints		
Max Feather River Flow	Oct: 4,000 cfs Nov: 2,250 cfs	Feather River fall stability flow requirements. Maximum October average flow of 4,000 cfs assumes flow requirement of 2,500 cfs for the 16 th through 31 st . Maximum November average of 2,250 cfs to protect fall stability flow requirement.
Spills	Spill Sites water in December	Unused Sites water in Oroville is subject to spill

Attachment E

Example Forms

This attachment provides examples of the Storage Opportunity Request Form and Release Request Form. Authority staff, in consultation with the Operations and Engineering Workgroup, may adjust these forms as needed without approval of the Reservoir Committee and the Board of Directors (as applicable) as described in the Authority Bylaws. However, each form must allow for at least the following parameters (which cannot be changed without approval of the Reservoir Committee and the Board of Directors, as applicable, as described in the Authority Bylaws):

- Storage Opportunity Request Form
 - Ability for a Storage Partner to entirely fill, partially fill or not fill their Storage Allocation
- Release Request Form
 - Ability for a Storage Partner to leave all of their water in storage or request releases up to all of their water in their Storage Allocation
 - Ability for a Storage Partner to request releases be conveyed to one or multiple Delivery Points and/or Secondary Delivery Points
 - Ability for a Storage Partner to request releases by month, by Delivery Point and/or Secondary Delivery Point(s)

DRAFT Storage Opportunity Request Form – Example



Draft form for review and input. Prior to actual reservoir operations, the Authority anticipates converting this form into an electronic format that will auto fill and calculate most values.

Contact Information:

Name:	Contact Name Here	Date of Submission:	Date Submitted Here
Contact Name:	Contact Name Here	Water Year:	Effective Water Year Here
Email:	Contact Email Here	Phone Number:	Contact Phone Number Here

Opportunity Request:

Total Storage Allocation [AF] _____ Total Water Available in Storage Allocation [AF] _____

☐ Fill Entire Available Storage Allocation
Estimated Available Storage Allocation [AF] x Estimated Variable O&M Cost [\$X/AF] =
Total Estimated Variable O&M Cost [\$] *

☐ Partially Fill Available Storage Allocation
Fill _____ AF
Fill _____ AF of Storage Allocation [AF] x Estimated Variable O&M Cost [\$X/AF] =
Total Estimated Variable O&M Cost [\$] *

☐ Do Not Fill Any Available Storage Allocation

*Estimated Variable O&M Costs for illustrative and planning purposes only. Variable O&M costs will be collected and trued-up consistent with the respective contract. The electronic form will autofill / auto calculate all information except the "Fill _____ AF".

Note: Fill opportunity requests are not guaranteed. The Authority will seek to optimize diversions within its permits and approvals, but may not be able to satisfy the entire request.

Storage Allocation is the sum of Storage Allocation owned plus any Storage Allocation shared, leased, or acquired as reflected by the Authority's database. If this amount is not correct, please contact Authority staff immediately.

Opportunity For Lease of Storage or Sale/Exchange of Sites Water:

☐ Storage Allocation Available for Lease
_____ AF

☐ Sites Water Available for Sale
_____ AF

☐ Sites Water Available for Exchange
_____ AF

Contact Information for lease or sale discussions if different than above

Contact Name: Contact Name Here

Phone Number: Contact Phone Number Here

Email: Contact Email Here

Note: Information provided in this section will be added to the Sites Storage Partners Lease/Sale List maintained by the Authority and available to all Sites Storage Partners. Do not complete this section if you do not want your information added to this list.

DRAFT Release Request Form for Sites Water – Example



*Draft form for review and input. Prior to actual reservoir operations,
the Authority anticipates converting this form into an electronic format that will auto fill and calculate some values.*

Contact Information:

Name: Contact Name Here **Date of Submission:** Date Submitted Here
Contact Name: Contact Name Here **Water Year:** Effective Water Year Here
Email: Contact Email Here **Phone Number:** Contact Phone Number Here

Release Request:

☐ Do Not Release Stored Water

☐ Total Release Request (in AF)

Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sept	Oct	Nov	Dec	Total

Delivery Location(s):

☐	Delivery Point: <u>[Specify location here through drop down menu]</u> ☐ Deliver all to this location ☐ Partial delivery to this location (see page 2)
☐	Delivery or Secondary Delivery Point Included in Sites Water Right: <u>[Specify location here through drop down menu]</u> ☐ Deliver all to this location ☐ Partial delivery to this location (see page 2)
☐	Additional Secondary Delivery Point Included in Sites Water Right: <u>[Specify location here through drop down menu]</u> (Electronic form will allow additional lines to be added) ☐ Deliver all to this location ☐ Partial delivery to this location (see page 2)
☐	Other Delivery Point Not Included in Sites Water Right*: <u>[Specify location]</u> ☐ Deliver all to this location ☐ Partial delivery to this location (see page 2) *Deliveries to locations not in the Sites Water Right will require additional review and approval by the Authority. The Authority does not guarantee that Sites Water can be delivered

	to a point not included in the Sites Water Right during this calendar year. Please contact Authority staff as soon as possible to discuss.
--	--

Note: Release requests are not guaranteed. The Authority coordinate amongst Storage Partners in an effort to optimize releases within its contractual obligations, permits and approvals, but may not be able to satisfy the entire request.

This form is for the purpose of releasing Sites Water only (water developed under the Sites Water Right). Releases of Other Water should be coordinated directly with Authority staff.

Partial Delivery Amounts by Location:

Location	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sept	Oct	Nov	Dec	Total
Total													



Meeting: **Reservoir Committee & Authority Board Agenda** **September 18, 2026**
Item 2.5

Subject: **Resolution to Offer Capacity in the Sites Reservoir Project**

Requested Action:

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

Detailed Description/Background:

Resolution 2026-02 (Attachment A) is intended to mark a significant project milestone by initiating a start to the investor commitment process for the Sites Reservoir Project. The resolution is designed to place the Project decision formally at the dais of each Participant's 22 governing board, as well as the State of California and Reclamation, and to initiate coordinated approvals needed to transition the Project from development into implementation and delivery. Board approval of the Resolution would kick-off the investor commitment process.

Approval of Resolution 2026-02 authorizes the Sites Project Authority to offer Capacity Interests to existing Participants, contingent upon

1. Incorporation of Project Alignment recommendations into the Benefits & Obligations Contract ("B&O")
2. Execution of Partner Facility Use Agreements (FUAs) with Glenn-Colusa Irrigation District and the Tehama-Colusa Canal Authority and the Operating Services Agreement with RD 108
3. State Water Board Approval of the Final Water Right and the Bay Delta Plan Update

With this approval, each of the existing 22 Participants are requested to sign and complete the B&O requirements to pledge its commitment to pay its share of the obligations of the Project in exchange for receiving its share of Project benefits, as described in the B&O and related Project documents, including the Joint Powers Agreement (JPA), and Bylaws. Similarly, by the Resolution Reclamation is requested to sign the Partnership Agreement, and State Agencies are requested to sign Contracts for Public Benefits Agreements and secure authority to sign the Final Funding Agreement. The action is intended to provide a clear and orderly pathway for Storage Partner decisions, while maintaining alignment across all parties and the integrated, coordinated package of agreements.

The Project has reached a point where it is appropriate to begin the formal Storage Partner-approval process. Storage Partners should proceed expeditiously to secure their internal approvals based on their governance processes and meeting cycles. A firm deadline for completing investor commitment will be established by the Sites Authority following final approval of the Project water right. As a reminder, all existing Authority funds are anticipated to be fully exhausted July 1, 2027 and the agreements are the only mechanism to secure new funding for Project operations. It is imperative that Participants proceed immediately recognizing that a transition to Phase 3/4/5 by end 2026 has i) substantial cost and schedule benefits ii) would put the Project on a firm basis for moving forward by avoiding the uncertainties associated with the upcoming State Administration change. Time is of the essence.

A key driver to initiating the investor commitment process at this time is the recent receipt of the revised September 2026 Revised Draft Water Right. The Sites Authority is encouraged by the State Water Board's revisions, which reflects thoughtful consideration of feedback on the March 2026 draft.

From the Sites Authority's perspective, the terms and conditions contained in the September 2026 Revised Draft Water Right provide a workable basis for a viable Project, provided the Final Water Right does not impose additional restrictions or further reduce Project performance. While the Authority continues to believe that certain terms should be improved to better support Project operations and benefits, the September 2026 Revised Draft represents the minimum acceptable framework for the Project. Accordingly, any material regression from the September 2026 terms that further constrains operations, reduces water supply performance, or diminishes Project benefits could adversely affect Project viability.

The capacity offer contemplated by Resolution 2026-02 is not a standalone action; it is part of a larger integrated and coordination package of agreements intended to define participation, governance, benefits, and obligations for the Project's delivery and long-term operations. The B&O is the central instrument for Participant commitments—describing the obligations Participants will assume, in exchange for receiving benefits, and the structure through which capacity interests are defined and implemented. The JPA and Bylaws provide the governance framework supporting implementation, including Participant representation and decision-making authority during Phases 3, 4, and 5. The resolution is therefore structured to keep these documents aligned and to avoid a situation where parties are forced into an uncoordinated or sequential "go first" posture. Instead, the intent is that the package of documents is advanced together, with effectiveness and implementation structured to occur in a coordinated fashion consistent with the final agreements. As a reminder, the Prop 1 Statute requires all contracts for benefits other than the State public benefits to be secured prior to the CWC release of final funding award, which means the State will be the last approval. No further State funding is available without the final funding award.

The resolution is framed as recognition that the Project has reached a major milestone: moving from Phase 2 development into Phase 3/4/5 delivery. In this framing, the Sites Authority and Participants have sufficiently worked through the major development steps necessary for investment assurance and for the Participant Boards to make participation decisions. The resolution supports a clear determination of progress and readiness, while also being explicit about the remaining contingent items and how those items will be managed to finality.

Resolution 2026-02 and the associated capacity offer process also initiates the state and federal participation commitments.

In summary, Resolution 2026-02 is intended to formally open the investor commitment process, place the decision before Participant, state, and federal governing bodies, and initiate the period that allows Participant approvals to proceed while key contingencies are finalized—setting up the Sites Authority to establish a firm investor commitment deadline upon Final Water Right approval.

Prior Action:

None

Fiscal Impact/Funding Source:

Staff Contact:

JP Robinette

Attachments

Attachment A – Resolution to Offer Capacity and Service



**BEFORE THE BOARD OF DIRECTORS OF THE
SITES PROJECT AUTHORITY**

Resolution No. 2026-02

IN THE MATTER OF:

RESOLUTION TO OFFER CAPACITY AND SERVICE IN THE SITES RESERVOIR PROJECT

WHEREAS, since 2019, the Sites Reservoir Project (“Project”) has been under Phase 2 development pursuant to the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement, the Second Amended and Restated Bylaws of the Sites Project Authority for Phase 2 of the Sites Reservoir Project, the Phase 2 Project Agreement (as amended from time to time), and related agreements and policies; and

WHEREAS, as reflected in the Sites Authority’s 2020 Strategic Plan, California has a critical and continuing need for climate-resilient, twenty-first-century water storage infrastructure to responsibly manage and deliver water, improve the environment, and provide flood-control and recreational benefits, and the Authority Board finds that the Project is necessary to advance the shared Project vision of affordable water sustainably managed for California’s farms, cities, and environment for generations to come; and

WHEREAS, during Phase 2, the Sites Authority and Participants have materially accomplished the principal objectives of the 2020 Strategic Plan by defining a Project that is affordable, permittable, and buildable, supported by an effective organization, and the Authority Board now finds that the Project is sufficiently defined and advanced to conclude Phase 2 and proceed toward implementation of Phases 3, 4, and 5 as defined in the current Bylaws; and

WHEREAS, during Phase 2, the Project has, among other accomplishments, (i) achieved compliance with the California Environmental Quality Act through certification of the Sites Reservoir Project Final Environmental Impact Report/Environmental Impact Statement and the Authority Board’s approval of the Project including successful defense of legal challenge and appeal, (ii) secured compliance with the National Environmental Policy Act and other federal laws as confirmed by the issuance of the Record of Decision for the Project by the Bureau of Reclamation (Reclamation), (iii) maintained eligibility and received a conditional commitment from the California Water Commission of a total of \$1.363 billion in funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”), secured federal appropriations totaling \$798 million through the WIIN Act, and secured eligibility for project financing with an Water Infrastructure Finance and Innovation Act (“WIFIA”) Loan of 49% of actual project cost and a USDA Small Community Program Loan of \$449 million (iv) secured a Revised Draft Water Right Permit and Order from the State Water Resources Control Board appropriating sufficient Sacramento River water dedicated to support Sites Project purposes and uses in perpetuity and bifurcating to continue consideration of the appropriation of Funks and Stone Corral Creek water for local area uses, (v) developed sufficient Project plans for construction and initial Project plans for operations that provide reasonable assurance of estimated Project costs and schedule, and (vi) secured conveyance arrangements that use existing non-Sites owned facilities that provide for reasonable certainty of Project deliveries to Project Storage Partners; and

WHEREAS, the Sites Authority has engaged in a multi-year iterative process in coordination with Participants, State and Federal agencies, and other interested parties to substantially develop final agreements with Storage Partners, including (i) the “three legged governance stool” of the Sites Reservoir Benefits & Obligations Contract (the “B&O Contract”) (supported by the Operations Plan), (ii) the Fifth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement (the “JPA”), (iii) , the Third Amended and Restated Bylaws of the Sites Project Authority for Phase 3, 4 and 5 of the Sites Reservoir Project (the “Bylaws”), (iv) the Contracts for Administration of Public Benefits with CDFW and DWR, and (v) the Partnership Agreement between the Sites Authority and Reclamation; and

WHEREAS, the Sites Authority continues to be the owner and operator of the Project, but through execution of the JPA and, by extension, adoption of the Bylaws, the Authority Board elevates the Reservoir Committee to Reservoir Management Board, providing Participants substantial sole authority over decisions concerning design, construction, operation and maintenance of the Project, and shared decision making with the Authority Board in certain matters expressly defined in the JPA and Bylaws; and

WHEREAS, based upon the actions, commitments, and assurances received to date, the Authority Board has reasonable assurance that participation by the State of California (for a term not to exceed 70 years from execution of the CAPB) will require up to 17.3 percent of the Project’s Base and Downstream Capacity Interest, and that participation by the United States will account for 16.0 percent of the Project’s Base and Downstream Capacity Interest, and the Sites Authority has contracted for such Capacity Interests for their respective participation, subject to execution of the applicable state and federal agreements and satisfaction of the conditions contained therein; and

WHEREAS, the Sites Authority wishes to accommodate varying methods of payment for the Project by Participants and has advanced and secured sources for a pooled financing structure to support those Participants electing to finance a portion of their Project obligations through debt, and the Authority Board commits to incurring such debt financing on behalf of participating Participants; and

WHEREAS, in furtherance of such pooled financing, the Sites Authority has negotiated a substantially complete loan agreement under WIFIA, the final execution and closing of which will depend upon, among other things, final Project Participation levels and satisfaction of applicable conditions to closing and has received reasonable assurance of its ability to secure any remaining debt financing required for the Project through the municipal marketplace utilizing the credit of Participants and the expected benefits of the Project; and

WHEREAS, the Sites Authority has prepared the *Sites Reservoir Project Baseline Report* (the “Baseline Report”), which provides a fixed-point record of the current Project definition and compilation of the material decisions made by the Authority Board and Reservoir Committee through the conclusion of Phase 2, and which is referenced by this Resolution as a common Project baseline but is not incorporated into or made a contractual component of the B&O Contract; and

WHEREAS, part of the Baseline Report constitutes the overall Project schedule and Project cost estimate which demonstrates an end of 2034 operational completion and projected year of expenditure Project cost of \$9.9 billion, including all anticipated contingencies; and

WHEREAS, the Sites Authority maintains a list of *Activities to be Completed Prior to Resolution to Offer Capacity & Service and During Investor Commitment Escrow*, commonly referred to as the list of “Conditions Precedent,” which identifies both the activities required before the Sites Authority offers Capacity Interests and those activities that may appropriately be completed during investor commitment escrow; and

WHEREAS, the Authority Board finds that the Conditions Precedent required to be completed before making the offer authorized by this Resolution have been completed or substantially completed, and that any remaining Conditions Precedent may appropriately be completed during investor commitment or before commencement of Phase 3/4/5, as applicable; and

WHEREAS, the Sites Authority intends to establish a completion deadline for the investor commitment process immediately following the approval of the Sites Water Right permit and order by the State Water Resources Control Board which shall be by subsequent Resolution (; and

WHEREAS, any Condition Precedent requiring approval of the Authority Board was first voted on and approved on an advisory basis by the Participants acting through their representatives on the Reservoir Committee; and

WHEREAS, the Authority Board confirms that it is necessary for the Project that all Conditions Precedent be satisfied prior to commencement of Phase 3/4/5, and that without limiting the foregoing, (i) it will be necessary for all Participants to execute the B&O Contract before the B&O Contract is effective, (ii) all members of the Authority Board intend to execute the JPA and, by extension, adopt the Bylaws, and (iii) the B&O Contract will not be enforceable by or against any Participant until all Participants sign the B&O Contract and all members of the Authority Board sign the JPA; and

WHEREAS, the Sites Authority acknowledges that issuance of the Sites Water Right permit and order and execution of the applicable state and federal agreements remain outstanding, and finds and confirms that those matters are addressed through the conditions to effectiveness of the B&O Contract and related agreements and do not prevent the Sites Authority from offering Capacity Interests at this time; and

WHEREAS, Proposition 1 requires, among other things, that all agreements and approvals required for construction be completed before Proposition 1 funds can be awarded unconditionally, making timely authorization and execution of the B&O Contract and related agreements necessary to preserve and advance the Project’s eligibility for such funding; and

WHEREAS, It is imperative that Participants proceed immediately to completing their signing of B&O Contracts recognizing that securing a transition to Phase 3/4/5 before end 2026 has i) substantial cost and schedule benefits to the Project, and ii) would put the Project on a firm basis for moving forward by avoiding the uncertainties associated with the upcoming State Administration change - time is of the essence.

WHEREAS, the Sites Authority maintains a wait list for interested parties that are not currently Participants, and the Board approved process for activation of the wait list must be

preceded by confirmation of Participant intention and quantity to enter into the B&O Contract, and therefore a timely response to the Sites Authority's offer to enter into the B&O Contract effectuated by this Resolution will be necessary; and

WHEREAS, based upon the foregoing, and upon the recommendation of the Reservoir Committee, the Authority Board finds that the Project is sufficiently defined, the applicable pre-offer Conditions Precedent have been completed or substantially completed, and the Sites Authority is prepared to offer each Participant the Capacity Interests identified for that Participant; and

WHEREAS, the Reservoir Committee, during an open and noticed meeting, voted to recommend the Authority Board's adoption of this Resolution.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Sites Project Authority as follows:

1. The foregoing findings are true and correct.
2. The Authority Board hereby accepts and approves the Baseline Report as a compilation of material decisions made by the Sites Authority through the conclusion of Phase 2; provided, however, that the Baseline Report is not incorporated into and does not constitute a contractual component of the B&O Contract.
3. The Authority Board hereby offers to each Participant, Reclamation and State the Base Capacity Interest and Downstream Capacity Interest identified for that Project Storage Partner in **Exhibit A**, with such Capacity Interests to be secured through timely execution of Contracts in accordance with its terms.
4. The Authority Board hereby determines that the developmental work constituting Phase 2 is complete and that the Project is prepared to transition to Phase 3/4/5 upon final completion of the applicable Conditions Precedent, including execution of the B&O Contract by all required parties, execution of the JPA by all Authority Board members and the resulting adoption of the Bylaws, execution of the applicable state and federal agreements. Upon such effectiveness, the B&O Contract will supersede and replace the Phase 2 Project Agreement in accordance with the terms of those agreements.
5. Sites Authority staff and consultants are directed to take such actions as are necessary and appropriate to effectuate this Resolution, including:
 - a. Final negotiations and preparing execution versions of the B&O Contract, JPA, Bylaws, and applicable state and federal agreements, upon the determination of the Authority Board of the changes made thereto, and provided that no material change may be made to the allocation of benefits, obligations, Capacity Interests, delegated authorities, or reserved decision-making rights without further approval by the Authority Board;

- b. Transmitting the final execution version of the B&O Contract and the applicable Capacity Interest offer to each Participant;
 - c. Scheduling Authority Board approval of a Resolution describing deadline for conclusion of the investor commitment;
 - d. Completing the remaining Conditions Precedent required before commencement of Phase 3/4/5;
 - e. Contracting for the Capacity Interests reserved for participation by the State of California and the Reclamation; and
 - f. Administering the Sites Authority's waitlist process with respect to any Capacity Interests that become available.
6. Sites Authority staff and consultants are hereby authorized and directed to finalize and pursue closing of 2027 Short term notes in preparation for the initiation of Phase 3/4/5 making funds available no later than April 1, 2027.
7. The offers authorized by this Resolution shall remain open and capable of acceptance until the deadline established by the Sites Authority in the transmittal to Participants, unless extended or modified by further action of the Authority Board.

ALL THE FOREGOING, being on motion of _____, seconded by _____, was hereby authorized by the following vote, to wit:

Reservoir Committee Votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Authority Board Votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

I HEREBY CERTIFY that the foregoing is a true copy of the resolution of the Reservoir Committee and the Board of Directors of the SITES PROJECT AUTHORITY as duly passed and adopted by said Board of Directors at a meeting held this 18th day of September, 2026.

WITNESS my hand and official seal of said Board of Directors this 18th day of September, 2026

_____,
Chair of the Authority Board of Directors

_____,
Chair of the Reservoir Committee

DRAFT

Exhibit A

Offered Base Capacity Interest and Downstream Capacity Interest by Storage Partner

Entity	Base Facilities Storage Capacity Interest	Base Facilities Capacity Interest Percent	Downstream Facilities Capacity Interest	Downstream Facilities Capacity Interest Percent
	(AF)	(%)	(AF)	(%)
Antelope Valley-East Kern Water Agency	3,117	0.22%	3,117	0.26%
City of American Canyon	24,936	1.77%	24,936	2.11%
Coachella Valley Water District	62,340	4.42%	62,340	5.27%
Colusa County	18,702	1.33%	-	0.00%
Colusa County Water District	57,702	4.09%	-	0.00%
Cortina Water District	2,805	0.20%	-	0.00%
Davis Water District	12,468	0.88%	-	0.00%
Desert Water Agency	40,521	2.87%	40,521	3.43%
Dunnigan Water District	18,527	1.31%	-	0.00%
Glenn-Colusa Irrigation District	6,234	0.44%	-	0.00%
Irvine Ranch Water District	6,234	0.44%	6,234	0.53%
La Grande Water District	6,234	0.44%	-	0.00%
Metropolitan Water District of Southern California	311,700	22.11%	311,700	26.37%
Reclamation District 108	6,234	0.44%	-	0.00%
Rosedale-Rio Bravo Water Storage District	3,117	0.22%	3,117	0.26%
San Bernardino Valley Municipal Water District	133,408	9.46%	133,408	11.29%
San Geronio Pass Water Agency	87,276	6.19%	87,276	7.38%
Santa Clara Valley Water District	9,351	0.66%	9,351	0.79%
Santa Clarita Valley Water Agency	31,170	2.21%	31,170	2.64%
Westside Water District	23,204	1.65%	-	0.00%
Wheeler Ridge-Maricopa Water Storage District	12,780	0.91%	12,780	1.08%
Zone 7 Water Agency	62,340	4.42%	62,340	5.27%
Total	940,400	66.70%	788,290	66.70%
State	244,000	17.3%	244,000	17.3%
Federal	225,600	16.0%	225,600	16.0%
Total	469,600	33.3%	469,600	33.3%
Grand Total	1,410,000	100.0%	1,257,890	100.0%

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.
- 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.

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 August.
- 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. The Authority completed the supplemental hearing on July 24 and associated briefing materials in August. A Revised Draft Decision and Draft Permit was released on September 3, for 30-day written comment period. State Water Board consideration and adoption of the

Sites Project Water Right is scheduled for November 5.

- 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 issued the Project's Section 401 permit on September 11. Staff is currently assessing the permit.
- 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 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.

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 related to finalization of the regarding of Benefits & Obligations Contract, Joint Powers Agreement, and Phase 3/4/5 Bylaws.

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

Action Item	Status
Plan of Finance Update ○ Share updated 1% tables in participant folders with the three changes included. ○ Include variable expenses table with updated numbers based on revised draft water right.	The 1% tables have been added to the Participants individual SharePoint folders. Variable will be included in the Plan of Finance attachment to the Project Baseline report.
Project Baseline Report ○ Add a 2026 present value governance forecast to Table E-1. (Plan of Finance – Table 2) ○ Include variable O&M in Table E-1 (range or average) to show the net effect on the variable O&M. ○ Include assumptions and overview of the CalSim model in PBR and include attachment with detailed CalSim modeling to substantiate the benefits of the Project. ○ Expand outline format to include more detail, specifically section 9.3. ○ Include 1- and 3-year maximum deliveries during a drought as deliveries at Banks Pumping Plant. ○ Explain how the 23% average carriage loss (KLOG to Banks) was determined.	Completed. See September 18 Board Meeting Item 2.3.
Schedule a Special Engineering and Operations Workgroup meeting for the week of August 24 to discuss the IRWD risk analysis.	Held a Special Engineering and Operations Workgroup meeting on August 27. Agenda items included: Review and Discuss Irvine Ranch Water District's Cost Risk Analysis of the Sites Project's Governance Estimate.
WIFIA Loan ○ Review WIFIA terms regarding Participant bankruptcy and confirm that bankruptcy of a PAYGO Participant does not impact WIFIA loan. ○ Look into Participants interest in the flexibility to elect WIFIA financing without participating in revenue bond financing.	○ Bankruptcy terms only affect participants in the financing. ○ Participants may elect Pay-Go as long as it does not downgrade Sites overall credit rating

CWC Funding ○ Exhibit D P.34, Retention – Recommend adding statements clarifying the criteria for releasing the retention. ○ Exhibit D, Standard Conditions Paragraph D.26, Modification of Overall Work Plan – State approval must be timely to avoid delaying a sale or transfer needed to prevent a default.	Staff is in conversations with CWC staff on the Final Funding Agreement terms. An update on negotiations will be brought to the board at the October or November meeting.
Schedule Maxwell and Dunnigan Landowner Meetings for October to align with revised draft water right.	In process of finalizing October meeting dates.
Schedule follow up with interested Participants to discuss how the Colusa Basin Drain functions and the proposed operations coordination terms in the agreement.	Staff is working to schedule this discussion and expects it to occur in the coming weeks.
B&O Contract, Section 4.16.2a – d and/or CAPB – Revise to ensure that water can be moved south of Delta, accounted for, held in storage, and then counted towards drought emergency storage if moved in any non-drought emergency year.	Considered. CAPB revisions being sought to provide for Participants Storage of Sites Water in SOD facilities for later use in drought emergency.
Schedule meeting with South of Delta Participants for follow up on Facilities Use Agreements items.	Meetings held on August 31 and September 3.
Schedule meeting with Participant attorneys to discuss indemnification in the Facilities Use Agreements.	Meeting held on September 3.
Operations Agreement with RD108 – Look into the 1% losses on CBD further and ensure accurate numbers.	The 1% loss assumption presumes augmentation occurs in the CBD. An RD108 proposed service offering “replacement water” to assure 1% loss or less is being discussed.



Meeting: **Reservoir Committee & Authority Board Agenda
Item 6.1**

September 18, 2026

Subject: **Update on development of Sites Project Agreements for use of Local
Infrastructure**

Requested Action:

Receive an update on the development of the Sites Project Agreements for use of local water conveyance infrastructure including the GCID Facilities Use Agreement, TCCA Facilities Use Agreement, and RD108 Operations Agreement.

Detailed Description/Background:

Staff is in the final stages of negotiations on three related agreements (GCID Facilities Use Agreement, TCCA Facilities Use Agreement, and RD108 Operations Agreement). Progress to date has been consistent with the Authority Board's negotiating parameters, and the agreements are close to being finalized.

As staff works to close out the remaining items, finalizing the agreements may require additional policy direction from the Reservoir Committee and/or Authority Board, including:

- Consideration of alternatives to address new terms introduced by TCCA and RD 108 and confirmation of targeted clarifications or adjustments needed to complete the GCID agreement.
- Direction on any remaining implementation principles (e.g., coordination expectations, exhibit/supporting-document approach) that should be reflected in the final packages before they return for approval.

With direction, staff will seek to achieve completing negotiations and bring the final agreements back for consideration and approval in October.

Fiscal Impact/Funding Source:

There are sufficient funds in the Amendment 3 work plan to pay the costs related to this effort. Anticipated future funding needs for the use of local facilities are accounted for in the Plan of Finance.

Staff Contact:

JP Robinette

Primary Service Provider:

Nossaman / Brown and Caldwell

Attachments:

None