



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

**March 20, 2026**

Subject: **Prop 1 Sites Water Conveyance Memorandum of Understanding with Sac Valley Water Purveyors (MOU)**

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**Requested Action:**

Reservoir Committee and Authority Board consider approval of Memorandum of Understandings with Richvale Irrigation District and Western Canal Water District for conveyance of Prop 1 Sites Water to Upper Butte Basin State Wildlife Area.

**Detailed Description/Background:**

The Contract for Administration of Ecosystem Public Benefits (CAPB) is anticipated to require, among other actions, the Authority to maintain key agreements necessary to convey and deliver Prop 1 Sites Water to achieve the ecosystem benefits. Deliveries to the Upper Butte Basin in amounts and at times shown on attached Table A have been requested by CDFW in lieu of the previously planned Yolo Bypass deliveries. In order to comply with the CAPB requirements the following list of agreements are required: (1) an agreement with Reclamation to accept the Incremental Level 4 CVPIA refuge water at certain locations and convey the water to the CVPIA refuges; (2) an Exchange Agreement with the California Department of Water Resources (DWR) to exchange water with Oroville for the purposes of the Upper Butte Basin Wildlife Area; (3) an Excess Capacity Agreement with Reclamation; (4) a conveyance agreement with DWR; and (5) agreements with Richvale Irrigation District (Richvale) and Western Canal Water District (Western) to convey water to Upper Butte Basin Refuge. The proposed action would cover #5 and would establish MOUs with these agencies which will serve to satisfy this part of the requirements to execute the CAPB and receive a final funding award. A subsequent Wheeling Agreement with each agency will be necessary and will layout the details for wheeling the Prop 1 Sites Water.

The MOUs provide for the parties to negotiate and develop the Wheeling Agreements within one year of execution of the CAPB, but no later than commencement of Project Operations. The Wheeling Agreement would include standard terms and conditions, along with the specific items identified in the MOUs to achieve the ecosystem benefits for the wildlife areas in the Upper Butte Basin. Richvale's agreement would provide for the annual conveyance of up to

21,000 acre-feet. Western's MOU would provide for the conveyance of up 2,800 acre-feet in drier years to the Llano Secco Unit. Actual water conveyed would depend on a number of factors, including water year type and amount of water in the Prop 1 Storage Allocation.

CDFW's Upper Butte Basin is already a customer of both agencies so there is already adequate infrastructure and purveyor regulations that dictate water service to this location. Both agencies have confirmed sufficient capacity exists at most times to accommodate the delivery of Prop 1 Sites Water. The Authority is responsible to pay conveyance charges. The Prop 1 Sites Water will get delivered to the Thermolito Afterbay by DWR through the exchange agreement that the Board will consider for approval next month. Both agencies have turnouts to their canals in the Thermolito Afterbay.

Both agencies have been extremely cooperative and have expedited their efforts to support the Sites Project. These have been agendaized for their Board's consideration this month.

**Fiscal Impact/Funding Source:**

The staff costs to negotiate these MOUs are included within existing budget. From a long-term perspective, the CAPB establishes the Authority as responsible for the costs to convey this water to achieve the ecosystem benefits.

**Prior Actions:**

None.

**Staff Contact:**

Mario Manzo

**Primary Service Provider:**

None.

**Attachments:**

Attachment A: Draft Western Canal Water District MOU

Attachment B: Draft Richvale Irrigation District MOU

**MEMORANDUM OF UNDERSTANDING  
BETWEEN WESTERN CANAL WATER DISTRICT  
AND SITES PROJECT AUTHORITY  
REGARDING CONVEYANCE OF SITES WATER**

This Memorandum of Understanding (“MOU”) is entered into and effective this \_\_\_\_ day of \_\_\_\_\_, 2026 by and between the SITES PROJECT AUTHORITY (the “Authority”) and WESTERN CANAL WATER DISTRICT (“District”) (each a “Party” and collectively, the “Parties”).

**Recitals**

**WHEREAS**, the Authority was created for the purposes of building and operating the Sites Reservoir Project (“Project”), a proposed 1.5 million acre-foot off-stream reservoir located approximately 10 miles west of the town of Maxwell, California; and

**WHEREAS**, to carry out the Project, the Authority is working with the State of California to execute a Contract for Administration of Ecosystem Public Benefits (“CAPB”); and

**WHEREAS**, the CAPB includes providing ecosystem benefits to refuges in the Upper Butte Basin, among other refuges; and

**WHEREAS**, the District formed on December 18, 1984, as a California Water District, and currently encompasses a land area of approximately 67,500 acres, of which approximately 59,000 acres are irrigable, including owning and operating the Western Canal water system (“Western Canal”); and

**WHEREAS**, the Western Canal has available and physically feasible capacity to convey up to 2,800 acre-feet of water in drier years that the Authority appropriates pursuant to a permit issued by the State Water Resources Control Board (“Sites Water”) to the Upper Butte Basin refuges, and the District is willing to make such available capacity for assisting in the conveyance and delivery of Sites Water for ecosystem public benefit purposes pursuant to the CAPB.

**WHEREAS**, the Authority has secured CDFW concurrence to use Sites Prop 1 Water at any of the units within the Upper Butte Basin and the District may receive mutual benefit from deliveries of Sites Prop 1 Water.

**NOW, THEREFORE**, the Parties agree as follows:

1. **Term.** This MOU shall be effective on the date of the last signature herein and shall remain in effect until execution of the Wheeling Agreement described in Paragraph 2.
2. **Wheeling Agreement.** The Parties acknowledge that the Authority has the responsibility to secure reliable conveyance capacity for ecosystem public benefit water is a material component of the CAPB and the Authority’s commitment to the State of California. Accordingly, the Parties agree to negotiate in good faith to develop a wheeling agreement

(the “Wheeling Agreement”) and enter into the Wheeling Agreement within five years of execution of the CAPB. The Wheeling Agreement will contain the terms and conditions under which available capacity in the Western Canal will be used for conveyance and delivery of Sites Water to the Upper Butte Basin refuges, which terms and conditions shall include, at minimum, the following binding provisions.

**(a).** Term. Consistent with term of the CAPB, subject to extension upon mutual agreement.

**(b).** Source of Supply. The Authority will provide up to 2,800 acre-feet, long term annual average, of Sites Prop 1 Water, in drier years from the total volume identified in Attachment A, likely through exchange with the Department of Water Resources, for wheeling by the District through the Western Canal for refuges in the Upper Butte Basin.

**(c).** Capacity Affirmation. The District will affirm its capability to wheel up to 2,800 acre-feet annually in drier years through existing conveyance capacity within Western Canal for Sites Prop 1 Water to assist the Authority in achieving the intended ecosystem benefits under the CAPB. The District represents that, based on its current operational analysis, such reservation of capacity is feasible without impairing its existing or future contractual obligations to primary or secondary customers.

**(d).** Place of Use and Point(s) of Delivery. The Wheeling Agreement will identify the: refuge lands, available canals and capacity, respective point(s) of delivery, and any other special conditions determined by the District, see Attachment B.

**(e).** Scheduling. The District and Authority will develop real-time operational coordination procedures to allow deliveries to align with biological timing windows, including flexibility to adjust timing and volume consistent with adaptive management under the CAPB.

**(f).** Measurement, and Reporting. The District and Authority will ensure measurement and reporting within the capabilities of existing measuring devices, of all deliveries of Sites Water to determine payment and allow for development of necessary records for the Authority.

**(g).** Costs. The District shall identify all applicable and reasonable costs for delivery of the Sites Water, on a per acre-foot basis, and the process for payment by the Authority. The Parties agree that the Wildlife Area is an existing i) out of district customer, or ii) secondary customer of the District and therefore is not subject to any payment conditions applicable to new customers.

**(h).** Delivery Commitment. The Authority commits to deliver Sites Prop 1 Water to the Llano Seco Unit in dry years.

- 3. Authority.** The Board of Directors of each Party have approved this MOU and authorized the development of the Wheeling Agreement described in Paragraph 2, consistent with the terms herein. Each signatory of this MOU represents they are authorized to execute this MOU on behalf of the Party for which they sign. Each Party

represents that it has legal authority to enter into this MOU and to perform all obligations under this MOU.

4. **Amendment.** This MOU may be amended or modified only by a written instrument executed by each of the Parties.
5. **Counterparts.** This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.
6. **Entire Agreement.** This instrument constitutes the entire understanding between the Parties with respect to the subject matters hereof, and supersedes and replaces any prior understandings, whether oral or written, by and between them with respect to such matters.

IN WITNESS WHEREOF, the parties hereto have entered into this instrument as of the Effective Date set forth above.

**WESTERN CANAL WATER DISTRICT**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SITES PROJECT AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment A

Sites Prop 1 Water

Lower Butte Basin Refuge - Water demand by month and habitat type. All values are in acre-feet (AF).

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
<b>Irrigated Seasonal Wetland</b>	573	573	1,146	2,292	1,000	3,084	500	1,000	3,584	2,292	1,719	573	<b>18,336</b>
<b>Semi-Perm. Wetland</b>	62.5	62.5	125	250	375	500	500	0	0	500	187.5	62.5	<b>2,625</b>
<b>Total<sup>1</sup></b>	<b>635.5</b>	<b>635.5</b>	<b>1,271</b>	<b>2,542</b>	<b>1,375</b>	<b>3,584</b>	<b>1,000</b>	<b>1,000</b>	<b>3,584</b>	<b>2,792</b>	<b>1,906.5</b>	<b>635.5</b>	<b>20,961</b>

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<sup>1</sup> In drier years, up to 2,800 acre-feet of this amount may be delivered by Western Canal Water District to the Llano Secco Unit.

# Attachment B

{Placeholder map}

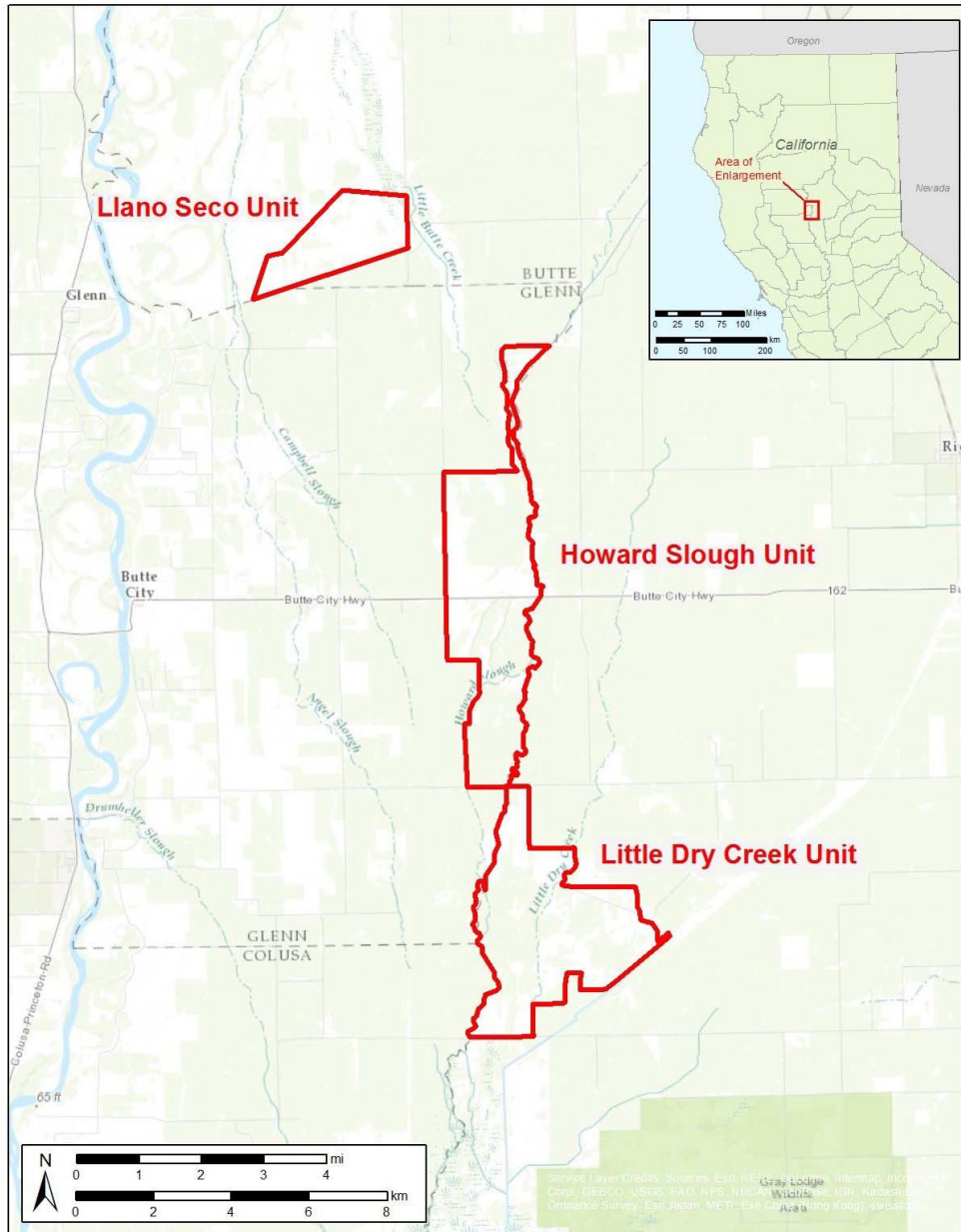


Figure 1. Location of Upper Butte Basin Wildlife Area's Llano Seco, Howard Slough, and Little Dry Creek Units.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN RICHALE IRRIGATION DISTRICT  
AND SITES PROJECT AUTHORITY  
REGARDING CONVEYANCE OF SITES WATER**

This Memorandum of Understanding (“MOU”) is entered into and effective this \_\_\_\_ day of \_\_\_\_\_, 2026 by and between the SITES PROJECT AUTHORITY (the “Authority”) and RICHALE IRRIGATION DISTRICT (“District”) (each a “Party” and collectively, the “Parties”).

**Recitals**

**WHEREAS**, the Authority was created for the purposes of building and operating the Sites Reservoir Project (“Project”), a proposed 1.5 million acre-foot off-stream reservoir located approximately 10 miles west of the town of Maxwell, California; and

**WHEREAS**, to carry out the Project, the Authority is working with the State of California to execute a Contract for Administration of Ecosystem Public Benefits (“CAPB”); and

**WHEREAS**, the CAPB includes providing ecosystem benefits to refuges in the Upper Butte Basin, among other refuges; and

**WHEREAS**, the District formed on July 7, 1930, under the Wright Act of 1897, and is responsible for providing irrigation water to 34,150 acres, through 80 miles of District canals, in southwestern Butte County, primarily supporting rice farming and environmental water users within its service area boundary.; and

**WHEREAS**, the District has available and physically feasible capacity to convey up to 21,000 acre-feet per year of water that the Authority appropriates pursuant to a permit issued by the State Water Resources Control Board (“Sites Water”) to the Upper Butte Basin refuges, and the District is willing to make such available capacity for assisting in the conveyance and delivery of Sites Water for ecosystem public benefit purposes pursuant to the CAPB.

**WHEREAS**, the Authority has secured CDFW concurrence to use Sites Prop 1 Water at any of the units within the Upper Butte Basin and the District may receive mutual benefit from deliveries of Sites Prop 1 Water.

**NOW, THEREFORE**, the Parties agree as follows:

1. **Term.** This MOU shall be effective on the date of the last signature herein and shall remain in effect until execution of the Wheeling Agreement described in Paragraph 2.
2. **Wheeling Agreement.** The Parties acknowledge that the Authority has the responsibility to secure reliable conveyance capacity for ecosystem public benefit water is a material component of the CAPB and the Authority’s commitment to the State of California. Accordingly, the Parties agree to negotiate in good faith to develop a wheeling agreement

(the “Wheeling Agreement”) and enter into the Wheeling Agreement within five years of execution of the CAPB. The Wheeling Agreement will contain the terms and conditions under which available capacity in the Western Canal will be used for conveyance and delivery of Sites Water to the Upper Butte Basin refuges, which terms and conditions shall include, at minimum, the following binding provisions.

**(a).** Term. Consistent with term of the CAPB, subject to extension upon mutual agreement.

**(b).** Source of Supply. The Authority will provide up to 21,000 acre-feet, long term annual average of Sites Prop 1 Water, see Attachment A, likely through exchange with the Department of Water Resources, for wheeling by the District through the Western Canal for refuges in the Upper Butte Basin.

**(c).** Capacity Affirmation. The District will affirm its capability to wheel up to 21,000 acre-feet annually through existing conveyance capacity within Western Canal for Sites Prop 1 Water to assist the Authority in achieving the intended ecosystem benefits under the CAPB. The District represents that, based on its current operational analysis, such reservation of capacity is feasible without impairing its existing or future contractual obligations to primary or secondary customers.

**(d).** Place of Use and Point(s) of Delivery. The Wheeling Agreement will identify the: refuge lands, available canals and capacity, respective point(s) of delivery, and any other special conditions determined by the District, see Attachment B.

**(e).** Scheduling. The District and Authority will develop real-time operational coordination procedures to allow deliveries to align with biological timing windows, including flexibility to adjust timing and volume consistent with adaptive management under the CAPB.

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**(h).** Delivery Commitment. The Authority commits to deliver Sites Prop 1 Water to Upper Butte Basin refuges.

- 3. Authority.** The Board of Directors of each Party have approved this MOU and authorized the development of the Wheeling Agreement described in Paragraph 2, consistent with the terms herein. Each signatory of this MOU represents they are authorized to execute this MOU on behalf of the Party for which they sign. Each Party

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4. **Amendment.** This MOU may be amended or modified only by a written instrument executed by each of the Parties.
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6. **Entire Agreement.** This instrument constitutes the entire understanding between the Parties with respect to the subject matters hereof, and supersedes and replaces any prior understandings, whether oral or written, by and between them with respect to such matters.

IN WITNESS WHEREOF, the parties hereto have entered into this instrument as of the Effective Date set forth above.

**RICHVALE IRRIGATION DISTRICT**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SITES PROJECT AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

# Attachment A

## Sites Prop 1 Water

Lower Butte Basin Refuge - Water demand by month and habitat type. All values are in acre-feet (AF).

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<sup>1</sup> In drier years, up to 2,800 acre-feet of this amount may be delivered by Western Canal Water District to the Llano Secco Unit.

# Attachment B

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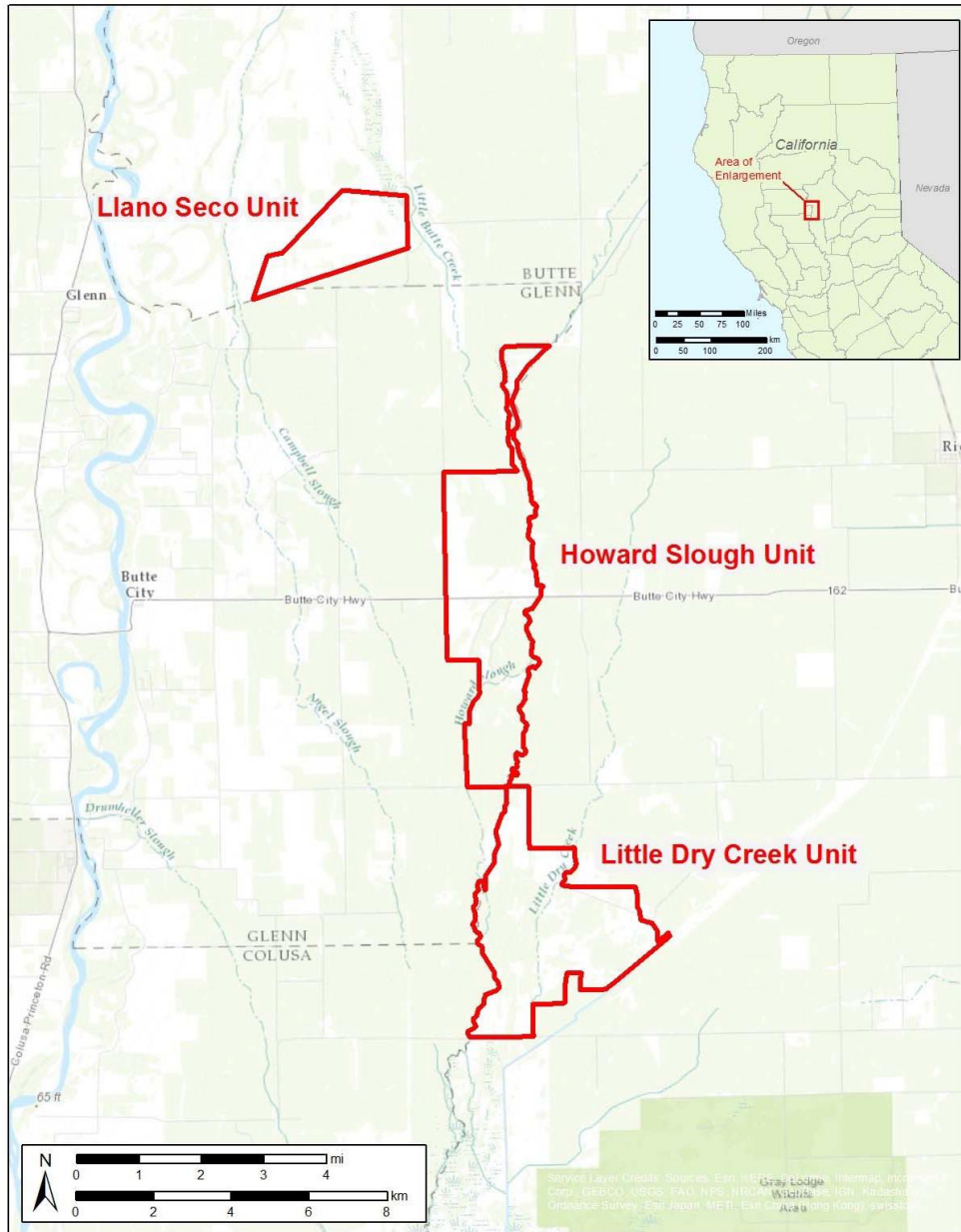


Figure 1. Location of Upper Butte Basin Wildlife Area's Llano Seco, Howard Slough, and Little Dry Creek Units.