



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 2.5

May 22, 2026

Subject: **Approve an Agreement to Coordinate Operations of the Sites Project with California Department of Water Resources (DWR), and US. Bureau of Reclamation (Reclamation)**

Requested Action:

Reservoir Committee and Authority Board consider authorizing the Executive Director to enter into an Agreement to Coordinate in the Operations of the Sites Project with the California Department of Water Resources, the US Bureau of Reclamation.

Detailed Description/Background:

The Operations Agreement establishes the framework by which the Authority, DWR, and Reclamation will coordinate the diversion, release, measurement, and conveyance of Sites water once the Project becomes operational. The Agreement implements a core commitment in the Sites water right and related settlements; that operation of the Sites Project will not cause adverse effects to the Central Valley Project (CVP) or State Water Project (SWP). The parties have reached a tentative Agreement on structure and terms, and are in the process of securing their signoffs of their agreement. Staff is seeking board for authorization to sign the Agreement.

The Agreement has been under development since 2020 through extensive technical and policy-level discussions among the three parties. It reflects current regulatory and operational conditions while intentionally allowing for future updates as regulations, infrastructure, and operational regimes evolve. The Agreement is structured as a main agreement supported by two technical Attachments and a White Paper that documents the parties' shared understanding of how coordinated operations would function under today's conditions. Given that the Project will not commence operations immediately and that CVP/SWP regulatory requirements continue to evolve, the parties agreed early in the negotiations that a flexible, principles-based agreement, rather than rigid, prescriptive operating rules, was necessary. More detailed operating procedures will be developed closer to Sites going into operations.

A foundational principle of the Agreement is that Sites operations must not cause an "Adverse Effect" to CVP or SWP water rights or regulatory compliance. The Agreement operationalizes this principle through:

- Continuous close coordination.
- Authority obligations to adjust or cease operations when informed of adverse effects.
- Clear procedures for identifying and remedying any actual adverse effects through “payback water.”

Diversions under the Sites water right are explicitly prohibited during “balanced” Delta conditions. During periods of “excess” Delta conditions, close coordination with DWR and Reclamation will occur continuously. In most times during excess conditions, Sites diversions are not expected to have any effect on CVP and SWP operations. However, there could be limited occurrences where Sites diversions could impact the CVP and SWP exports during excess when certain Sacramento River flow and associated Delta outflow conditions are governing and it is in these times that DWR and Reclamation have the ability under the Agreement to direct that Sites stop or reduce its diversion operations to not incur an adverse effect. The agreement provides for an evidence exchange in these circumstances, while the adjustments are in place, or before if time allows. These “shoulder” conditions have been accounted for in the Sites operations modeling through a surrogate buffer of 3,000 cfs on the starting and stopping of Sites diversions when balance and excess conditions transition. As a fail-safe mechanism, if Sites diverts and an adverse effect is incurred, the subject water is in storage and is to be returned to DWR and Reclamation. Payback would be a non-routine outcome undesired by all parties, but I stipulated just in case it is needed. The Agreement also stipulates annual assessments of operations coordination and communication as the parties mutually wish to optimize these operations over time.

Releases of Sites water back to the Sacramento River has a defined timing of during balanced conditions, and in some cases, only during the transfer window. The release pathway is through Funks Reservoir, Tehama Colusa Canal, Dunnigan Pipeline, Colusa Basin Drain, and Knights Landing Outfall Gates. Measurement and loss protocols are to be applied. For Sites water conveyed through the Delta export facilities, these amounts will be subject to carriage water consistent with existing CVP/SWP transfer practices and would require prior confirmation with DWR and Reclamation.

The Agreement does not alter existing water rights, priorities, or the Coordinated Operations Agreement (COA) between the CVP and DWP. Potential voluntary exchanges with DWR or Reclamation are acknowledged but intentionally reserved for separate agreements. Facilities use agreements, wheeling arrangements, and exchange agreements will be addressed independently.

Execution of this Agreement is a critical milestone toward Project implementation and provides assurance to State and Federal partners, Participants, and regulators that Sites operations will be fully coordinated and protective of existing water management operations.

During the February 2026 Board review of the Draft agreement under agenda item 03-03, the Board feedback provided and how it has been addressed in the proposed Final Agreement is reflected as follows:

- Termination provisions were shared with the board member raising the concerns and were determined to be sufficient.
- Timing of the payback water being returned to DWR and/or Reclamation is as soon as reasonably practicable and prior to the start of the transfer window (see Section 1.e.iii of the Attachment 1).

Fiscal Impact/Funding Source:

The Agreement does not create new capital obligations. The Sites operations modeling is consistent with the Agreement. There is potential exposure to diminished project performance for Storage Partners because of operational adjustments to diversions and releases to avoid adverse effects. These risks have been reasonably accounted for within the assumptions of the operations model. The potential provision of payback water if adverse effects actually occur during diversions would incur costs to all Participants. However, payback water is expected to be a rare occurrence, if ever needed.

Prior Action: February 2026 - consider approval of the terms and conditions of the Contract for Administration of Public Benefits (CAPB) with the California Department of Fish and Wildlife (CDFW) for ecosystem benefits, conditioned upon no substantial changes from the terms described in this staff report during CAPB finalization after the public comment period.

Staff Contact: Ali Forsythe/Jerry Brown

Attachments:

Attachment A: Agreement to Coordinate in the Operations of the Sites Reservoir Project, Attachment 1 – Standard Operating Procedure for Sites Reservoir Project Diversions, Attachment 2 – Release and Delivery of Sites Water and Associated Measurement Locations and Loss Assumptions, White Paper on Operations

AGREEMENT BETWEEN
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
THE UNITED STATES BUREAU OF RECLAMATION, AND
THE SITES PROJECT AUTHORITY
TO COORDINATE IN THE OPERATIONS OF THE SITES RESERVOIR PROJECT

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AGREEMENT TO COORDINATE IN THE OPERATIONS OF THE SITES RESERVOIR PROJECT

This Agreement to Coordinate in the Operations of the Sites Reservoir Project ("Agreement") is made this _____ day of _____, 20____, between the Department of Water Resources of the State of California ("DWR"), The United States Bureau of Reclamation ("Reclamation"), and the Sites Project Authority (the "Sites Authority"). DWR, Reclamation, and the Sites Authority may be referred to individually as "Party" or collectively as "Parties." Unless the context otherwise requires, capitalized acronyms, abbreviations and terms used in this Agreement shall have the meanings given in Section 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 Project Authority Joint Exercise of Powers Agreement, as such agreement may be modified from time to time. The Sites Authority was formed on August 26, 2010, when seven regional entities executed the Joint Exercise of Powers Agreement. The Sites Authority was established for the purpose of designing, constructing, owning, operating and maintaining the Sites Reservoir Project, which has long been evaluated as a location for additional off-stream storage to provide direct and real benefits to instream flows, the Delta ecosystem, and water supply throughout the State.
- B. The Sites Reservoir Project is a unique, multi-benefit water storage project that will capture and store water from major storms, so water is available to California's communities, farms, and environment during dry periods.
- C. The Sites Authority intends to enter into a Benefits and Obligations Contract with all Participants, which will detail, among other things, the benefits that each Participant receives and the obligations of the Sites Authority to design, construct, operate and maintain the Sites Reservoir Project and to restore the Sites Reservoir Project site in the event the Sites Reservoir Project is not completed.
- D. DWR operates the SWP, and Reclamation operates the CVP. DWR and Reclamation coordinate their operations pursuant to the COA, which defines, among other things, how the CVP and SWP share water quality and environmental flow obligations within the Sacramento-San Joaquin Delta watershed imposed by regulatory agencies, including the State Water Board, and it is primarily within this framework that coordination with the Sites Reservoir Project is considered.
- E. The Sites Reservoir Project is uniquely situated relative to existing major storage facilities of the State and federal water projects, and the Parties desire to develop coordinated operations principles and practices to achieve shared operational goals, while avoiding potential adverse impacts of the Sites Reservoir Project to the CVP and SWP.

- F. This Agreement and the Parties' respective water rights for their respective projects provide the framework of how the Sites Reservoir Project and the CVP and SWP would operate in a shared watershed.
- G. The Parties support the goals of Proposition 1 to increase water storage and to provide public benefits. The Sites Authority is developing and intends to enter into separate public benefits agreements with 1) State agencies under Proposition 1 to ensure achievement of certain public benefits of the Sites Reservoir Project, including ecosystem, flood control, and recreational purposes; and 2) Reclamation under the Water Infrastructure Improvements for the Nation Act (Pub. L. No. 114-322 (2016) 130 Stat. 1628) to ensure achievement of benefits for federal purposes.
- H. The Sites Authority also has the responsibility under Proposition 1 in California Water Code Section 79755(a)(3) to enter into public benefit agreements with certain public agencies that administer the Sites Reservoir Project's public benefits, including a public benefit agreement with DWR for flood control and recreation, provided certain requirements are satisfied.
- I. Reclamation intends to be a Storage Partner in the Sites Reservoir Project. The terms and conditions of Reclamation's benefits and obligations in the Sites Reservoir Project are included in the "Partnership Agreement" that will be executed between the Sites Authority and Reclamation.
- J. DWR is considering being a party to the Benefits and Obligations Contract as an Acquirer, as defined therein, on behalf of the SWP for certain Participants that are also SWP Contractors.
- K. In addition to the coordination activities addressed in this Agreement, the Parties consider other voluntary actions, including potential exchanges of water with DWR and Reclamation, to the extent such actions are consistent with the Parties' respective water rights, do not interfere with deliveries to SWP and CVP water contractors, and would not affect the ability of the SWP and CVP to meet applicable legal requirements in place at the time of the voluntary actions. Potential exchanges would be at the sole discretion of DWR and Reclamation, respectively. Such other voluntary actions, if agreed to by the Parties, will be addressed in separate agreements.
- L. The Sites Authority has been issued the Sites Water Right for the Sites Reservoir Project through the partial assignment of State Filed Application No. A025517 which has a priority date of September 30, 1977. The final SWRCB order is contained in D-XXXX. [Note: Details to be completed]
- M. The Sites Authority entered into settlement agreements with the following parties that protested the Sites Water Right application, and it is the intent of the Sites Authority that this Agreement be consistent with the terms and conditions of these settlement agreements:
- Agreement between the Sites Authority and Contra Costa Water District to Coordinate in the Operations of the Sites Reservoir Project, dated December 20,
- DRAFT FOR DISCUSSION PURPOSES ONLY

2023; and

- Settlement Agreement between the Sites Authority, DWR, and State Water Contractors, dated June 7, 2024.

N. The Parties recognize that the Sites Reservoir Project will not be fully operational until after 2030 and now desire to enter into this Agreement in order to establish their roles and responsibilities with respect to the operations of the Sites Reservoir Project.

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AGREEMENT

The Parties agree to the following:

1. DEFINITIONS

The following terms are defined below under this Agreement:

- a. “Adverse Effect” means (1) a direct or indirect injury to DWR Water Rights, interference with the SWP’s ability to meet regulatory requirements, including mitigation requirements in permits or other approvals, and/or reduction in SWP water supply, including storage in Lake Oroville and San Luis Reservoir and diversions and exports from the Delta; and (2) a direct or indirect injury to Reclamation Water Rights or reduction in water supply, or interference with the CVP’s ability to meet legal requirements in place at the time.
- b. “Applicable Laws” means applicable federal, State and local laws, ordinances, rules, regulations, orders, and policies relating to the Sites Reservoir Project, CVP, and SWP.
- c. “Attachment” means an attachment to this Agreement described in Section 4.d, as may be updated in accordance with this Agreement.
- d. “Balanced Water Conditions” means those periods when DWR and Reclamation agree that releases from upstream reservoirs plus unregulated flow approximately equal the water supply needed to meet Sacramento Valley In-basin Uses plus Exports, as defined in Article 3(b) of the COA, as may be amended.
- e. “Benefits and Obligations Contract” means the Sites Reservoir Benefits & Obligations Contract between the Sites Authority and Participants setting forth the rights and obligations of the parties with respect to the Sites Reservoir Project.
- f. “Carriage Water” means 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.
- g. “CDFW” means the California Department of Fish and Wildlife.
- h. “Central Valley Project” or “CVP” means the federal water project owned and operated by Reclamation.
- i. “Close Coordination” means the meetings and other coordination activities, as necessary, amongst the Parties and the process to share information about forecasted conditions and to coordinate regarding foreseeable CVP, SWP, and the Sites Reservoir Project operations when there is potential for initiated diversions or operational changes at the Sites Reservoir Project.

- j. “COA” means the Agreement between the United States of America and the State of California for Coordinated Operations of the Central Valley Project and the State Water Project, dated November 24, 1986, amended December 12, 2018, and as it may be further amended.
- k. “CVP Contractors” means the individual entities that hold contracts with Reclamation for water supply by the CVP.
- l. “Delta” means the Sacramento-San Joaquin Delta as described in California Water Code Section 12220.
- m. “Delta Conveyance Project” or “DCP” means the Delta Conveyance Project which includes the physical infrastructure described in the Final Environmental Impact Report for the DCP dated December 2023 and associated “Decision Regarding the Delta Conveyance Project Final Environmental Impact Report” dated December 21, 2023, including but not limited to two new water intakes that can convey up to 6,000 cubic feet per second on the Sacramento River in the north Delta and a single main tunnel to divert and move water entering the north Delta from the Sacramento Valley watershed to the existing Bethany Complex.
- n. “Delta Export Facilities” means the Harvey O. Banks Delta Pumping Plant, including Clifton Court Forebay, owned and operated by DWR, and the C.W. “Bill” Jones Pumping Plant owned and operated by Reclamation.
- o. “DWR” has the meaning given in the preamble above.
- p. “DWR Water Rights” means the water rights held by DWR for the SWP as of the date of the issuance of the Sites Water Right, with all future approved modifications to those existing water rights including but not limited to future approved changes to support the Delta Conveyance Project, and licensing of those water rights. Such rights include the following: Application A005630/Permit 016478; Application A014443/Permit 016479; Application A014445A/Permit 016481; Application A107514A/Permit 016483; and Application A017512/Permit 016482.
- q. “Excess Conditions” means periods when releases from upstream reservoirs plus unregulated flow exceed the water supply needed to meet Sacramento Valley In-basin Uses, Delta water quality and outflow requirements, and Delta exports, as determined by DWR and Reclamation pursuant to the definition in Article 3(c) of the COA, as may be amended.
- r. “Excess Conditions with Export Restrictions” means conditions where Excess Conditions exist, but Delta exports are constrained by non-discretionary requirements imposed on the CVP and the SWP, as determined by DWR and Reclamation, consistent with Article 3(c) and 10(i) of the COA.
- s. “Export” means water pumped from the Delta through Delta Export Facilities.

- t. “Force Majeure” means events beyond the reasonable control of a Party, including strikes, riots, wars, fire, earthquakes, 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 Agreement.
- u. “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 Agreement.
- v. “Governmental Entity” means any federal, State, or local 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.
- w. “Participants” means the parties to the Benefits and Obligations Contract, other than the Sites Authority and DWR, that pay to participate and receive benefits in the Sites Reservoir Project including certain Sites Authority members and other municipal entities and special districts. Participants are a subset of Storage Partners.
- x. “Party(ies)” has the meaning given in the preamble above.
- y. “Payback Water” means the calculated volume, as determined by DWR or Reclamation, as applicable, of Adverse Effect to SWP and/or CVP operations that resulted from water being diverted to storage in the Sites Reservoir Project or other operations of the Sites Reservoir Project.
- z. “Proposition 1” means Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (California Water Code Sections 79700-79798), approved by the California voters in November 2014. Chapter 8 of Proposition 1 (California Water Code Sections 79750-79781) dedicated \$2.7 billion for investments in water storage projects that improve the operation of the State water system.
- aa. “Reclamation” has the meaning given in the preamble above.
- bb. “Reclamation Water Rights” means the water rights held by Reclamation for the CVP as of the date of the issuance of the Sites Water Right, with all future approved modifications to those existing water rights including, but not limited to, future approved changes to and licensing of those water rights.

- cc. “Reservoir Management Board” means the Reservoir Management Board, established by the Sites Authority Joint Exercise of Powers Agreement, as such Reservoir Management Board may be modified from time to time.
- dd. “Sacramento Valley In-basin Uses” has the meaning set forth in COA, as may be amended.
- ee. “Sites Authority” has the meaning given in the preamble above.
- ff. “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.
- gg. “Sites Reservoir Project” means the entire physical infrastructure and capital improvements to be designed, constructed, commissioned and completed or contracted for use by the Sites Authority for the purpose of providing storage and conveyance of water for use by Storage Partners, as such project may be modified from time to time.
- hh. “Sites Operations Plan” means the Sites Reservoir Operations Plan, which will be continually updated and approved by the Reservoir Management Board and the Sites Authority (as applicable) in accordance with the Sites Authority Bylaws.
- ii. “Sites Water” means water that is appropriated under the Sites Water Right.
- jj. “Sites Water Right” means the water right obtained and owned by the Sites Authority for the Sites Reservoir Project as further described in Recital L.
- kk. “State” means the State of California.
- ll. “State Water Board” means the California State Water Resources Control Board.
- mm. “State Water Project” or “SWP” means the multi-purpose water storage and delivery system constructed and operated by DWR, as authorized by California Water Code Sections 12930 et seq.
- nn. “Storage Allocation” means the maximum actual capacity allocated to a Storage Partner for storing water in the Sites Reservoir Project, measured and determined from time to time in accordance with the Sites Operations Plan.
- oo. “Storage Partners” means the governmental agencies, public water agencies and other entities that have funded and received a Storage Allocation in the Sites Reservoir Project and the resulting water supply or water supply related benefits from the Sites Reservoir Project. Storage Partners could include Participants, the State through CDFW, and Reclamation.
- pp. “SWP Contractors” means the public water agencies that hold long-term water

supply contracts with DWR for water supplies by the SWP.

- qq. “Termination Event” has the meaning given in Section 5.b.
- rr. “Termination Notice” means a written notice given by one Party to the other Parties that it wishes to commence negotiations to terminate this Agreement.
- ss. “White Paper” means the White Paper described in Section 4.d., dated on or about the date of execution of this Agreement, as may be updated in accordance with this Agreement.

2. FACILITIES DESCRIPTION

This Agreement recognizes the following Sites facilities as proposed to be constructed:

- a. Sites Reservoir
- b. Sites Dam
- c. Golden Gate Dam
- d. Sites saddle dams/dikes
- e. Terminal Regulating Reservoir
- f. Terminal Regulating Reservoir Pumping Generating Plant
- g. Funks Pumping Generating Plant
- h. Power transmission lines
- i. Electrical substation
- j. Sites Lodoga Bridge
- k. Other support facilities
 - i. Pipelines (Terminal Regulating Reservoir, Funks)
 - ii. Maxwell Intertie Pipeline
 - iii. Inlet/outlet tower
 - iv. Transition manifold
 - v. Maintenance and storage building

- vi. Administration and operations building
- vii. Recreation areas including day use boat ramp

I. Dunnigan Pipeline and associated facilities

3. ROLES AND RESPONSIBILITIES

The Parties agree to coordinate during implementation of the Sites Reservoir Project, including coordination on:

- a. Conditions and operating procedures for diversions to the Sites Reservoir Project;
- b. Timing and quantity of the Sites Reservoir Project releases and conveyance through the Delta Export Facilities;
- c. Deliveries of Sites Water to wildlife refuges, as agreed to between the Parties;
- d. Flood management activities with DWR's Division of Flood Management and Dam Safety State Flood Operations Center and/or Federal Flood Operations center, when determined to be necessary; and
- e. Other activities, as defined in this Agreement, including the Attachments.

4. PRINCIPLES FOR COORDINATED OPERATIONS OF SITES RESERVOIR PROJECT

- a. The Parties agree to coordinate their respective operations by applying the following general principles in their day-to-day coordination activities or as otherwise applicable:
 - i. Operate in compliance with all Applicable Laws, Governmental Approvals, and contractual obligations;
 - ii. Maximize benefits and efficient use of water storage capacity of the Parties' respective facilities; and
 - iii. Optimize availability of water supplies for beneficial uses.
- b. The Parties desire to accomplish mutual beneficial outcomes when feasible and consistent with regulatory compliance and water right priorities. Under the terms of the Sites Water Right, Sites Reservoir Project diversions may not result in an Adverse Effect to the operation of the CVP or SWP under their respective existing water rights, as such existing water rights may be modified. The Parties agree to use the processes and approaches generally described in Attachments 1 and 2 and the White Paper to avoid or mitigate the potential negative impacts of the Sites Reservoir Project on the CVP and SWP operations. The Parties acknowledge that the CVP and SWP are separate but coordinated projects and

any applied mitigation should be applied to the project impacted, but at the discretion of the CVP and SWP, the COA could be used to balance such impacts and mitigation.

- c. Nothing in this Agreement, including as it may be amended, shall be interpreted as altering or amending the COA or any water rights priorities.
- d. Attachments to this Agreement and White Paper
 - i. Each Party acknowledges and understands that the (a) diversion, storage, release, and conveyance of Sites Water through the Sites Reservoir Project, and (b) redirection and conveyance of Sites Water through the CVP and SWP facilities will be implemented in accordance with the Attachments to this Agreement and the White Paper described as follows:
 - 1. Attachment 1 - Close Coordination - Standard Operating Procedure for Sites Reservoir Project Diversions;
 - 2. Attachment 2 - Release and Delivery of Sites Water and Associated Measurement Locations and Loss Assumptions; and
 - 3. White Paper - Documents the Parties' current understanding on how the Sites Reservoir Project would be operated under regulatory and operational conditions at the time of the execution of this Agreement.
 - ii. The Attachments and the White Paper are intended to implement and provide detail to the terms of this Agreement and shall not modify or amend this Agreement in a manner that results in a material detrimental effect on a Party's rights under this Agreement. In the event of any inconsistency between the Attachments, the White Paper, and this Agreement, the terms of this Agreement shall prevail.
- e. The Parties agree to participate in Close Coordination to avoid any Adverse Effects of the Sites Reservoir Project to the CVP and SWP.
- f. Diversions of Sites Water
 - i. No diversion under the Sites Water Right is authorized that would result in an Adverse Effect to the operation of the CVP and/or SWP under the Reclamation Water Rights and DWR Water Rights. No diversion under the Sites Water Right is authorized at any time Reclamation and DWR have declared the Delta to be in Balanced Water Conditions and certain Excess Conditions with Export Restrictions as described in Attachment 1, unless otherwise agreed by Reclamation and DWR. If diversions by the Sites Authority result in an Adverse Effect, as reasonably determined by DWR or Reclamation, respectively, the Sites Authority will provide Payback Water to DWR and/or Reclamation, as described in Attachment 1.

- ii. The Parties agree that the coordination, operation, and decision-making processes described in Attachment 1 shall apply to the diversions of water by the Sites Authority under the Sites Water Right. The Parties further agree that the White Paper documents the Parties' mutual understanding on how the Sites Reservoir Project would be operated under those regulatory and operational conditions as they exist at the time of the execution of this Agreement. The Parties agree to revise Attachment 1, if needed, when the Sites Reservoir Project nears operational status to incorporate the then current regulatory and operational conditions, based on the Parties' mutual understanding reflected in the White Paper.
- iii. The Parties agree that any diversions to storage pursuant to the Sites Water Right shall not be considered Sacramento Valley In-basin Uses under the COA.

g. Releases of Sites Water

- i. The Sites Authority will make releases from the Sites Reservoir Project for deliveries requested by Storage Partners in accordance with the applicable contract the Sites Authority has with each Storage Partner and consistent with the Sites Operations Plan.
- ii. The Sites Authority shall coordinate with DWR and Reclamation on the timing and quantity of Sites Water releases in accordance with Attachment 2. Releases of Sites Water for Export at CVP or SWP facilities are subject to concurrence by DWR and Reclamation.
- iii. DWR and Reclamation shall determine the amount of Carriage Water that is needed for the Sites Water releases to the Sacramento River for delivery to south of Delta water users in the same manner as DWR and Reclamation calculate Carriage Water for water transfers originating from the Sacramento River, as described in Attachment 2.
- iv. Participants requiring the movement of Sites Water through CVP or SWP facilities will be responsible for arranging the use of the applicable facility(ies), as described in Attachment 2.

h. Assessment of Operations

If requested by any Party, the Parties shall jointly prepare a written assessment of the prior year's operations of the Sites Reservoir Project, CVP, and SWP to evaluate how the Sites Reservoir Project affected total CVP and SWP water deliveries, carryover storage, and other operations.

5. DURATION OF AGREEMENT

a. Term

This Agreement shall take effect upon due execution of this Agreement by all Parties. This Agreement shall be dated and commence as of the signature date of the last executing Party and shall continue for so long as each of the Parties continues to have their obligations under this Agreement, unless sooner terminated pursuant to this Agreement.

b. Termination Events

Any Party shall have the right to terminate this Agreement in accordance with Section 5.c in the event any of the following occurs (each a “Termination Event”):

- i. The Sites Reservoir Project has ceased operations permanently;
- ii. CVP has ceased operations permanently;
- iii. SWP has ceased operations permanently; or
- iv. The Parties otherwise agree to terminate this Agreement.

c. Termination Process

Upon the occurrence of a Termination Event, any Party may give Termination Notice to the other Parties, with reasonable particularity as to the need for termination. The Parties shall document the termination of this Agreement in writing signed by all Parties, including providing the effective date of the termination. Upon termination, all rights and obligations of the Parties under this Agreement shall cease, except for the provisions in Sections 7 (Liability) and 8 (Dispute Resolution).

d. Special Events

In the event any of the following occurs, the Parties agree to meet and confer in good faith to reach mutual agreement regarding the terms of a new agreement, or changes to this Agreement (including the Attachments and the White Paper), if all Parties agree that such changes are necessary.

- i. The State Water Board approves material changes in the Sites Water Right permit, as compared to the State Water Board approval for Application No. A025517X01;
- ii. A new major facility is constructed within the system and commences operation;
- iii. Any judicial order is issued that affects operation of the CVP, SWP, or the Sites Reservoir Project in a way that renders implementation of this Agreement impossible for any of the Parties;

- iv. Sites Reservoir Project filling or release operations are altered due to construction of a reservoir expansion, or new significant facilities are added to the Sites Reservoir Project (e.g., pumped back storage energy generation facilities).

e. Force Majeure Event

Upon the occurrence of an event of Force Majeure, the affected Party shall give prompt written notice thereof to the other Parties, describing the anticipated effect of the event of Force Majeure on operation of its facilities. The Parties shall meet and confer in good faith to discuss potential responses to the event of Force Majeure.

6. RECORDS, ACCOUNTING, AND REPORTING

- a. The Sites Authority will maintain records of the Sites Reservoir Project water operations including diversions and releases from the Sites Reservoir Project and accounting for losses associated with transportation of water released from the Sites Reservoir Project as detailed in Attachment 2 and in accordance with the Sites Authority Records Management Policy.
- b. The Parties will maintain records of Sites Water entering the Delta, Carriage Water volume, and quantity delivered to the Delta Export Facilities for Storage Partners.

7. LIABILITY

The Parties agree that this Agreement is entered for the primary benefit of the Sites Authority to assist in the implementation of the Sites Project. To that end, the Sites Authority agrees to defend and hold DWR and Reclamation, and their respective officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR and Reclamation, and their respective officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR and/or Reclamation, their officers, employees, and agents incur as a result of DWR and/or Reclamation approving this Agreement or implementing this Agreement, except to the extent resulting from the negligence or willful misconduct of DWR or Reclamation or their officers, employees, and agents.

8. DISPUTE RESOLUTION

a. Informal Dispute Resolution

In the event of dispute regarding interpretation or implementation of this Agreement (excluding the Attachments), the Director of DWR and the Regional Director of Reclamation, and general manager of the Sites Authority, or their authorized representatives, shall endeavor to meet within 30 days after the request of a Party and attempt to resolve the dispute through Informal Dispute Resolution.

b. Mediation

- (i) If a dispute arises among the Parties relating to or arising from a Party's obligations under this Agreement that cannot be resolved through Informal Dispute Resolution as described in Section 8.a, the Parties involved in the dispute shall first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of JAMS, American Arbitration Association (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. A single mediator that is acceptable to the Parties involved in the dispute shall be used to mediate the dispute.
- (ii) All mediation costs shall be equally shared by the Parties to the dispute, except for the expenses of witnesses for any Party which shall be paid by the Party producing such witnesses, subject to available appropriations.
- (iii) If mediation does not resolve the matter, any Party may, at its option, pursue any available legal remedy including injunctive and other equitable relief.

c. Performance is not Excused

Nothing in this Section 8 shall relieve the Parties from performing their obligations under this Agreement. The Parties shall be required to comply with this Agreement, including the performance of all disputed activity and disputed payments, subject to available appropriations, pending the resolution of any dispute under this Agreement.

d. Disputes regarding Attachments

If a dispute arises among the Parties regarding interpretation or implementation of an Attachment and not implicating any other provisions in this Agreement or other Attachments, such a dispute shall be subject to the dispute resolution provisions in the relevant Attachment.

9. PARAGRAPH HEADINGS

The section headings in this Agreement are for the 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 Agreement.

10. OPINION AND DETERMINATION

Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any Party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

11. FURTHER DOCUMENTATION

The Parties agree to endeavor to execute any further documents reasonably necessary to affect the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

12. MODIFICATION OF AGREEMENT

The Parties shall meet from time to time to consider amendments to this Agreement. No amendment to the terms and conditions of this Agreement, including the Attachments and/or White Paper, shall be valid unless made in writing and signed by all the Parties to this Agreement; provided that an Attachment and/or the White Paper may be amended pursuant to the process described in that Attachment or the White Paper and without the need to amend this Agreement.

13. INTERPRETATION

In this Agreement, unless the context otherwise requires:

- a. The singular includes the plural and vice versa;
- b. References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation referred to;
- c. The words "including," "includes," and "include" are deemed to be followed by the words "without limitation";
- d. A reference to a Section is a reference to a Section of this Agreement;
- e. A reference to any entity includes such entity's successors and permitted substitutes and assigns; and
- f. Words of any gender used in this Agreement shall include each other gender where appropriate.

14. SIGNATURE CLAUSE

The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

15. COUNTERPARTS; ELECTRONIC EXECUTION

The Parties agree that this Agreement may be executed in several counterparts, each 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.

16. SEVERABILITY

- a. If any provision or part of this Agreement is ruled invalid (including invalidity due to any change in law) by a court having proper jurisdiction, then the Parties shall:
 - i. promptly meet and make good faith 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 adjustment to obligations to be performed or payments to be made in accordance with this Agreement to account for any change in the services rendered in accordance with this Agreement resulting from such invalidated portion; and
 - ii. 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.
- b. The invalidity or unenforceability of any such provision or part shall not affect the validity or enforceability of the balance of this Agreement, which shall be construed and enforced as if this Agreement did not contain such invalid or unenforceable provision or part.

17. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California, any applicable federal law 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 Agreement shall be in the County of Sacramento; provided that any such litigation involving Reclamation shall be in Federal District Court.

18. CONSTRUCTION OF LANGUAGE

It is the intention of the Parties to this Agreement that if any provision of this Agreement 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.

19. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of each of the Parties and each of their permitted successors, assigns, and legal representatives.

[Signatures on the following page.]

DRAFT

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Office of General Counsel
California Department of Water Resources

Karla A. Nemeth
Director

Date _____

Date _____

Approved as to Legal Form
and Sufficiency

United States Bureau of Reclamation
Department of the Interior

Office of Solicitor
U.S. Department of the Interior

Regional Director

Date _____

Date _____

Sites Project Authority

Name

Title

Date

ATTACHMENT 1
TO AGREEMENT TO COORDINATE IN THE OPERATIONS
OF THE SITES RESERVOIR PROJECT

**Close Coordination - Standard Operating Procedure for Sites Reservoir Project
Diversions**

Purpose and Use of Attachment

This Attachment 1 describes the Close Coordination amongst the Parties and the standard operating procedure for diversions to the Sites Reservoir Project. The Parties shall maintain and update this Attachment 1, as needed, and perform the obligations under the Agreement in accordance with the then current agreed version of this Attachment 1. All Parties must agree to any and all updates to this Attachment 1, in accordance with Section 12 of the Agreement and Section 2 of this Attachment 1.

1. Real Time Evaluation of Diversions by the Sites Authority and Close Coordination

- a. Diversions to the Sites Reservoir Project shall be subject to coordination with DWR and Reclamation. The Parties agree to follow the evaluation and decision-making process as described in this Attachment and the White Paper.
- b. During the Sites Reservoir Project diversion season, the Parties will use real-time and forecasted data to determine the needed level of coordination and actions to be taken to avoid Adverse Effects of the Sites Reservoir Project diversions on the CVP and SWP.
 - i. 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 an Adverse Effect, as reasonably determined by DWR and Reclamation.
 - ii. The Sites Authority shall coordinate and confirm with DWR and Reclamation that the conditions still exist to proceed with the date and rate of planned diversion at least three (3) days before the planned diversion, or earlier if reasonably possible.

- iii. DWR and/or Reclamation can give notice to the Sites Authority that diversions may occur seven (7) days in advance but the actual timing and amounts will depend on nearer term forecasts and real time conditions.
 - iv. The Sites Authority will provide real time and forecasted Sites Reservoir Project diversion data to DWR and Reclamation upon request.
 - v. DWR and Reclamation will provide real time and forecasted Delta conditions data to the Sites Authority, upon request, for use in its decision-making process to coordinate diversions, including the need to schedule power, maintenance activities, and/or any other actions that could affect Sites Reservoir Project diversions.
 - vi. The Parties agree to use Close Coordination as the means to update each other on any new conditions under which Sites Reservoir Project diversions may cause an Adverse Effect to CVP and SWP operations.
 - vii. The Sites Authority will rely on information made publicly available by DWR and Reclamation to confirm Delta conditions. The Parties will be in Close Coordination throughout the Sites Reservoir Project diversion period to determine if there is any change to actual or forecasted status.
 - viii. The Sites Authority understands that any forecast of future Delta conditions is subject to change based on actual hydrology and operations. DWR, Reclamation, and the Sites Authority will make reasonable efforts to accurately forecast conditions and operations within their respective purview of responsibility.
 - ix. The Parties acknowledge that each Party has modeling tools available that will be used to evaluate and/or forecast data and operations. The Parties will coordinate the use of information from the models while respecting the rights of the other Parties to use and improve upon their own models and tools.
- c. Under the terms of Sites Water Right, Sites Reservoir Project diversions may not cause an Adverse Effect to the CVP or SWP. If DWR or Reclamation determines that an Adverse Effect is occurring or will occur, the Sites Authority agrees to stop diversions immediately upon receiving a notice of DWR's or Reclamation's determination.

- d. The Parties agree to abide by a process that allows the Sites Authority to present evidence to DWR and Reclamation that demonstrates that no Adverse Effect is occurring or will occur, and DWR and Reclamation agree to give such evidence due consideration.
- e. If diversions by the Sites Authority result in an Adverse Effect, as reasonably determined by DWR or Reclamation respectively, the Sites Authority will return the Payback Water to DWR and/or Reclamation, as applicable. The following procedure will be followed:
 - i. DWR and Reclamation, with diversion data and input from the Sites Authority, will determine the Adverse Effect and resulting volume of Payback Water that is required to be returned to DWR and/or Reclamation to fully mitigate for the actual Adverse Effect. DWR and Reclamation shall have at least sixty (60) days from the first day an Adverse Effect occurred to assert that a past Sites Reservoir Project diversion has had an Adverse Effect.
 - ii. The analysis used to determine the volume of Payback Water will be submitted by DWR and Reclamation to the Sites Authority in writing for review and comment. The Sites Authority will respond within seven (7) days either (a) verifying the volume of Payback Water and confirming the plan to implement the steps to provide the Payback Water to DWR and/or Reclamation, as applicable, or (b) providing questions or comments regarding the analysis. DWR and Reclamation shall make a final determination as to the volume of Payback Water.
 - iii. If Payback Water is owed, the Sites Authority will consult with DWR and Reclamation as to the method of providing Payback Water, and DWR or Reclamation will inform the Sites Authority of an acceptable method for receiving the Payback Water. Potential methods for providing Payback Water to the CVP include but are not limited to: increased releases from Sites Reservoir Project to benefit the CVP, or return of stored water to Reclamation's storage account in the Sites Reservoir Project within the same year that the Adverse Effect occurred for future use by Reclamation at no cost to Reclamation. The Sites Authority shall make available the full amount of Payback Water owed to Reclamation as soon as reasonably practicable and prior to the start of the transfer window when the CVP is authorized to move

non-CVP water through the Delta Export Facilities under the applicable regulatory requirements, unless otherwise agreed to by Reclamation. Potential methods for providing Payback Water to SWP include but are not limited to: increased releases from the Sites Reservoir Project to benefit the SWP, or adjustments to the outstanding exchange balance with SWP water. The Sites Authority shall make available the full amount of Payback Water owed to DWR as soon as reasonably practicable and prior to the start of the transfer window when the SWP is authorized to move non-SWP water through the Delta Export Facilities under the applicable regulatory requirements, unless otherwise agreed to by DWR.

- iv. The calculation of the Payback Water shall first be reviewed and discussed among the Parties' staff. If the Parties' staff cannot reach agreement after consideration of all Parties' evidence, in a reasonable amount of time, then the calculation shall be subject to the dispute resolution process under Section 3 of this Attachment.
- f. The Parties agree:
- i. regulations governing water operations may change over time;
 - ii. this Attachment is intended to be amended as applicable regulations change as set out in Section 2 of this Attachment;
 - iii. the Sites Reservoir Project is not expected to commence operations for many years from the effective date of the Agreement;
 - iv. The Parties have developed a White Paper, describing how this Attachment would be implemented given the regulatory regime as of 2026, with the intent to document the Parties' mutual understanding of the coordination and operating procedures that would apply to diversions to the Sites Reservoir Project. The Parties shall review this Attachment before the Sites Reservoir Project becomes operational and revise it, if needed, to reflect the then effective regulatory regime and other legal requirements, considering the Parties' mutual understanding as described in the White Paper; and
 - v. Other future changes will be addressed as shown in Section 2.

2. Revisions to this Attachment

- a. The Parties will review and, if needed, modify this Attachment when the Sites Reservoir Project is close to commencing operations, and following a regulatory change materially affecting CVP and/or SWP operations, or at least every five (5) years. When there is a need to modify this Attachment, the Parties will meet and confer and endeavor to execute an amendment to this Attachment pursuant to Section 12 of the Agreement within a timeframe that ensures Sites Reservoir Project's diversions do not result in an Adverse Effect. Any modification to this Attachment shall be in writing and approved by each Party's authorized representative. For future CVP and/or SWP projects not in operation as of the effective date of the Agreement, similar operational conditions and actions to those included in this Attachment may need to be evaluated. It is the intent of the Parties to consider new Delta operations conditions in a similar manner as discussed herein with the goal of avoiding Adverse Effects by implementing the actions specified herein.
- b. Prior to the operation of the Sites Reservoir Project, the Parties will develop a communications protocol to be incorporated into this Attachment. The communications protocol will specify how the Parties will communicate and provide notice to each other and the timing of actions by each Party (i.e., number of days).

3. Dispute Resolution

In the event of dispute regarding interpretation, implementation, or modification of this Attachment, the Director of DWR, Regional Director of Reclamation, and general manager of the Sites Authority, or their authorized representatives, shall endeavor to meet within 30 days after the request of a Party and attempt to resolve the dispute. If the dispute remains unresolved, the Parties may use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally, subject to available appropriations. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter will be resolved by a decision made by the Director of DWR and the Regional Director of Reclamation.

ATTACHMENT 2
TO AGREEMENT TO COORDINATE IN THE OPERATIONS
OF THE SITES RESERVOIR PROJECT

**Release and Delivery of Sites Water and Associated Measurement Locations and
Loss Assumptions**

Purpose and Use of Attachment

This Attachment 2 describes the operations of the Sites Reservoir Project involving the release of previously stored water from the Sites Reservoir Project into the Sacramento River at KLOG (defined below) and the associated measurement locations and losses, as they are understood at the time of the creation of this Attachment. Real-time conditions may necessitate different operations coordination, as further described below. The Parties shall maintain and update this Attachment 2, as needed, and perform the obligations under the Agreement in accordance with the then current agreed version of this Attachment 2. All Parties must agree to any and all updates to this Attachment 2, in accordance with Section 12 of the Agreement and Section 9 of this Attachment. This Attachment does not address storage, allocation, accounting, or other actions for management of water stored in the Sites Reservoir until such water is released from the Sites Reservoir. Nothing in this Attachment authorizes any specific conveyance of water through the CVP or SWP facilities, and any such conveyance shall be subject to the terms and conditions of separate agreements to be developed for such conveyance through the CVP or SWP facilities.

1. Definitions.

These definitions are for the purposes of this Attachment only. Capitalized terms not otherwise defined in this Attachment shall have the same meaning as in the Agreement.

- a. “CBD” means Colusa Basin Drain.
- b. “D1641” means State Water Resources Control Board Water Rights Decision 1641.
- c. “Dunnigan Pipeline” means additional conveyance constructed by the Sites Project Authority at the terminus of the TC Canal to convey Sites releases from the TC Canal to the CBD.
- d. “IL4” means Incremental Level 4.
- e. “I/O Works” means inlet/outlet works.

- f. “KLOG” means Knights Landing Outfall Gates.
- g. “Sites Releases” means releases of water diverted under the Sites Water Right and previously stored in the Sites Reservoir Project that are conveyed through the Sites Reservoir Project I/O Works to either Funks Reservoir/Tehama-Colusa Canal or the Terminal Regulating Reservoir/Glenn-Colusa Irrigation District Main Canal. Such Sites Releases include but are not limited to Sites Water allocated to and in the contractual possession of the Sites Participants and Reclamation and Sites Water released pursuant to the Sites public benefits agreements.
- h. “TC Canal” means Tehama-Colusa Canal.
- i. “TCCA” means Tehama-Colusa Canal Authority.
- j. “TRR” means Terminal Regulating Reservoir.

2. Releases from the Sites Reservoir Project

- a. Sites Releases will be made through the Sites Reservoir Project I/O Works to either Funks Reservoir or TRR.
- b. Releases from the Sites Reservoir Project are subject to coordination with DWR and Reclamation. Releases of Sites Water for Export at CVP or SWP 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. Starting with the calendar year before the Sites Reservoir Project commences operations, the Sites Authority shall notify DWR and Reclamation of its projected releases and initiate operations planning in January of each calendar year and shall complete a final annual operations plan by June of each calendar year. The Parties will use their best efforts to meet the terms of the final operations plan for delivery of Sites Releases, while acknowledging that water supply conditions are dynamic and adjustments to the operations plan may be necessary.
- c. The Sites Authority shall measure releases from Sites Reservoir Project through the Sites Reservoir Project I/O Works to determine the amount of water released to each Storage Partner, and for other purposes, such as ecosystem purposes and wildlife refuges.
- d. Separate measurement will occur for the amount of Sites Releases going to Funks Reservoir and the amount of Sites Releases going to TRR.

- e. The Sites Authority shall make reasonable efforts to ensure accurate measurement of the amount of Sites Water released from each Storage Partner's storage account in the Sites Reservoir Project to either or both of these locations on a daily basis.
- f. Sites Releases to Funks Reservoir will be conveyed to Storage Partners through the TC Canal with a portion or all being conveyed to the KLOG, as further described in Section 3.
- g. Sites Releases to TRR shall not be conveyed to KLOG and are not subject to this Attachment.

3. Releases to Funks Reservoir/TC Canal

- a. Sites Releases to Funks Reservoir will then be conveyed through the TC Canal.
- b. Some Sites Releases to Funks Reservoir will be delivered to Participants along the TC Canal and will not be conveyed to KLOG.
- c. The Sites Authority will have separate agreements with Reclamation, and TCCA if necessary, for the use of Funks Reservoir and the TC Canal to convey Sites Releases to Storage Partners.
- d. Losses along the TC Canal will be determined by the Sites Authority in coordination with TCCA.
- e. Sites Releases, to be delivered downstream of the Dunnigan Pipeline, will be measured by the Sites Authority in the Dunnigan Pipeline prior to being discharged to the CBD.
- f. Sites Releases through the Dunnigan Pipeline will be equal to the releases to Funks Reservoir less Sites Release deliveries along the TC Canal and losses.

4. Conveyance through CBD

- a. Sites Releases for redirection downstream from the Dunnigan Pipeline will be conveyed through the CBD.
- b. The CBD will be used to convey Sites Releases to KLOG.
- c. Losses within the CBD between the Dunnigan Pipeline and KLOG will be determined and agreed upon by the Sites Authority and authorities with local jurisdiction over operations of the CBD and adjacent landowners.

- d. Due to the relatively flat slope of the CBD, Sites Releases are expected to “back-up” in the CBD as far upstream as the Balsdon Weir. This backwater effect will need to be further analyzed and agreed to by the Parties as to how it affects travel time and losses.

5. Releases to KLOG

- a. Sites Releases for redirection at authorized locations on the Sacramento River or in the Delta will be conveyed through KLOG.
- b. The Sites Authority will have a separate agreement with DWR for the use of KLOG to convey Sites Releases to Storage Partners.
- c. At the time of execution of the Agreement, only stage, and not flow, is measured on the CBD at Knights Landing and on the Sacramento River at Knights Landing. The Sites Authority shall develop a method of flow measurement reasonably acceptable to DWR, Reclamation, and authorities with local jurisdiction over operations of the CBD to measure and verify the flow rate and volume of Sites Releases conveyed to the Sacramento River.
- d. The amount of Sites Releases conveyed through KLOG will be the lesser of (1) Sites Releases measured in the Dunnigan Pipeline (accounting for travel time), or (2) the amount of flow measured through KLOG.
- e. Sites Releases identified at KLOG shall be adjusted for any losses consistent with the Sacramento River based water transfers.
- f. Travel time and losses associated with Sites Releases will be developed and shall be agreed to by the Parties based on measurements and studies prior to the Sites Reservoir Project operations.

6. Releases for Conveyance through the CVP or SWP Facilities in the Delta

- a. Sites Releases for conveyance through the Delta to the Delta Export Facilities can only occur when the Delta is in Balanced Water Conditions. Sites Releases can be conveyed through the Delta Export Facilities during times when the CVP and SWP are authorized to move non-CVP or non-SWP water through the Delta Export Facilities, as determined by the SWP and CVP regulatory requirements (currently July through November).
- b. Use of CVP and SWP facilities for conveyance of Sites Releases will be subject to the availability of export capacity, as determined by DWR and Reclamation, respectively.

- c. Conveyance of Sites Releases through the Delta will be subject to Carriage Water. DWR and Reclamation will maintain sole authority in determining Carriage Water associated with conveyance of Sites Releases through the Delta to the Delta Export Facilities. The methodology for determining Carriage Water will follow the principles as described in the Draft Carriage Water Overview for Non-Project Water Transfers, dated October 2019, as may be updated. DWR and Reclamation will rely upon the planned volume of Sites Releases entering the Delta provided by the Sites Authority to generate an early season estimate of Carriage Water prior to any Sites Release. Final Carriage Water will be assessed at the end of the season based on the actual measured flows.
- d. Each year, the Sites Authority will coordinate a season schedule with DWR and Reclamation to identify the pumping facility to be used for exporting Sites Releases from the Delta and the expected timing and quantity of Sites Releases to be exported.
- e. The SWP water supply contracts between DWR and SWP Contractors provide the terms and conditions for the movement of water for the SWP Contractors through the SWP facilities. Participants that are SWP Contractors intend to rely on their respective SWP water supply contracts, as may be amended, and any other necessary agreements with DWR to request conveyance of Sites Releases, less Carriage Water, through the SWP facilities. Participants who are member agencies of an SWP Contractor will coordinate with their SWP Contractor for conveyance of Sites Releases, less Carriage Water, through the SWP facilities, including execution of any other necessary agreements.
- f. The CVP Project water service contracts between the United States and CVP Contractors provide the terms and conditions for the movement of non-CVP Project water for the CVP Contractors through the CVP facilities. Participants that are CVP Contractors intend to rely on their respective CVP water service contracts, as may be amended, and any other necessary agreements with the United States to request conveyance of the Sites Releases, less Carriage Water, through the CVP facilities.

7. Deliveries to Refuges

IL4 refuge water deliveries will be coordinated by the Sites Authority, CDFW, DWR, and Reclamation as further set out below and subject to the terms and conditions of the conveyance agreements to be developed for such deliveries:

- a. North of Delta Refuges – The Parties will coordinate delivery of any IL4 refuge water and delivery to other wildlife areas for Proposition 1 purposes.
- b. South of Delta Refuges – The Parties will coordinate delivery of any IL4 refuge water for Proposition 1 purposes. Through-Delta conveyance of Sites Releases for delivery to south of Delta wildlife refuges will be consistent with the provisions in Section 6(a) through Section 6(d) of this Attachment.

8. Releases for Rediversion at authorized Non-SWP/CVP Locations in the Delta

- a. Sites Releases may be conveyed through KLOG for rediversion at authorized points of rediversion that are not SWP or CVP facilities.
- b. Sites Releases for such conveyance and rediversion can only occur when the Delta is in Balanced Water Conditions, unless otherwise agreed to by DWR and Reclamation.
- c. The measurement and losses associated with these releases through KLOG will be the same as described in this Attachment;
- d. Sites Releases for rediversion at non-SWP/CVP locations shall not cause an increase or decrease in SWP or CVP releases and/or exports; and
- e. Rediversion of these Sites Releases will be coordinated with the facility owner and/or operator.

9. Revisions to this Attachment

The Parties acknowledge and agree that laws and regulations that govern water operations may change over time, and there may be a need to revise this Attachment. The Parties will review and, if needed, modify this Attachment when the Sites Reservoir Project is close to commencing operations, and following a regulatory change materially affecting SWP and/or CVP operations, or at least every five (5) years. When there is a need to modify this Attachment, the Parties will meet and confer and mutually agree to execute an amendment to this Attachment pursuant to Section 12 of the Agreement. Any modification to this Attachment shall be documented in writing and approved by each Party's authorized representative.

10. Disputes

In the event of dispute regarding interpretation or implementation of this Attachment, the Director of DWR, Regional Director of Reclamation, and general

manager of the Sites Authority, or their authorized representatives, shall endeavor to meet within 30 days after the request of a Party and attempt to resolve the dispute. If the dispute remains unresolved, the Parties may use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally, subject to available appropriations. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter will be resolved by a decision made by the Director of DWR and the Regional Director of Reclamation.

WHITE PAPER
on Coordinated Operations for the Sites Reservoir Project

[DATE]

This White Paper has been developed jointly by the Sites Authority, DWR, and Reclamation. The Parties plan to enter into an Agreement to Coordinate in the Operations of the Sites Reservoir Project (the “Agreement”) on or about the date of this White Paper. The Parties’ expectation is that when the Sites Reservoir Project nears operational status, the Parties would review the Agreement and determine if the Agreement or any of the Attachments to the Agreement need to be amended to reflect the then current regulatory and operational conditions. The purpose of this White Paper is to document the Parties’ current understanding of how the Sites Reservoir Project would be operated under those regulatory and operational conditions as they exist in 2026, to assist the Parties in developing or revising the coordination and operational processes under the Agreement when the Sites Reservoir Project nears operational status.

1. DEFINITIONS

Capitalized terms not otherwise defined in this White Paper shall have the same meaning as in the Agreement.

- a. “2024 BiOps” means the 2024 biological opinions issued by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service for the Long-Term Operations of the Central Valley Project and State Water Project.
- b. “2024 ITP” means the 2024 Incidental Take Permit issued by the California Department of Fish and Wildlife for the Long-Term Operation of the State Water Project in the Sacramento-San Joaquin Delta.
- c. “cfs” means cubic feet per second.
- d. “D1641” means State Water Board Water Rights Decision 1641.
- e. “Delta Export/Inflow (E/I) Ratio” means the export limits identified in D1641, and these export limits may be controlling CVP and SWP exports from the Delta.
- f. “Excess Conditions with Export Restrictions” means conditions where Excess Conditions exist, but Delta Exports are constrained by non-discretionary requirements imposed on the CVP and the SWP, as determined by DWR and Reclamation, consistent with Article 3(c) and 10(i) of the COA. Examples of Excess Conditions with Export Restrictions include the following circumstances in the 2024 BiOp, 2024 ITP, and/or D-1641:
 - i. During December through June, when OMR Flow Criteria are limiting Project Exports from the Delta (see “OMR Flow Criteria),
 - ii. During April and May, when SWP Exports are limited by Spring Outflow (see

“Export Curtailment for Spring Outflow”),

- iii. During a 30-day period in April and May, when total combined CVP and SWP Exports are limited to the greater of 1,500 cfs or 100 percent of the 3-day average flow of the San Joaquin River at Vernalis (see “Vernalis 1:1”),
 - iv. During February through June, when the Delta E/I Ratio is 35 percent, and during July through January, when the Delta E/I Ratio is 65 percent, or such variations in percentages as provided for in D1641.
- g. “Export Curtailment for Spring Outflow” is identified in the 2024 ITP and may be controlling SWP Exports from the Delta during the months of April and May of each year.
- h. “LTO” means the operational and regulatory criteria included in the 2024 BiOps resulting from the 2024 Reinitiation of Consultation of the Long-Term Operation of the Central Valley Project and State Water Project.
- i. “NDOI” means the Delta outflow calculation defined in D1641.
- j. “Offramp” means an action permitted under the 2024 ITP or 2024 BiOps that allows the SWP and/or CVP, as applicable, to operate to lesser Export restrictions under certain high outflow conditions.
- k. “OMR Flow Criteria” means the Old-Middle River Flow Criteria identified in the 2024 BiOp and the 2024 ITP and may be controlling the CVP and SWP Exports from the Delta during the months of December through June of each year.

2. COORDINATION OF OPERATIONS UNDER THE 2026 CONDITIONS

The following coordination and operational processes would apply to the diversion of water under the Sites Water Right by the Sites Authority under the 2026 regulatory and operational conditions.

- a. The Sites Authority will rely on information made publicly available by DWR and Reclamation to confirm the Delta conditions. The Sites Authority will proceed to divert water under the Sites Water Right, assuming all of its other diversion criteria are met, if the Delta is in Excess Conditions or under certain Excess Conditions with Export Restrictions. If conditions described in subsections b.i, b.ii, or b.iii exist, then the Parties will proceed as described in subsection c. The Parties will regularly meet and be in Close Coordination throughout the Sites Reservoir Project diversion period. The Sites Authority will monitor Delta conditions daily and closely coordinate with DWR and Reclamation prior to and while diversions occur to confirm that there is no change to actual or forecasted status.
- b. Under the terms of the Sites Water Right, Sites Reservoir Project diversions may not cause an Adverse Effect on the operation of the CVP or SWP under their respective

water rights. Current CVP and SWP Delta operations where the Parties anticipate Adverse Effects either will or may occur, include, but are not limited to:

- i. “Close Excess” - The Delta is forecasted within a reasonably certain period of time to change from Excess Conditions into Balanced Water Conditions or vice versa, or is forecasted to fluctuate between Balanced Water Conditions and Excess Conditions for a reasonably certain period of time, or
 - ii. “Specific Excess with Export Restrictions” - The Delta is in Excess Conditions with Export Restrictions specifically where changes to flow conditions on the Sacramento River from Sites Reservoir Project diversions could result in an Adverse Effect on CVP and/or SWP Exports (i.e., Delta E/I Ratio is governing), or
 - iii. “Offramps” - The Delta is in Excess Conditions with Export Restriction that are due to OMR Flow Criteria or San Joaquin River flow conditions and there is potential for increased CVP or SWP Exports to exist if certain Offramp threshold conditions are met that are affected by Sacramento River flows. Offramps typically provide for less restrictions on Delta Exports but do not result in the Delta transitioning to Excess Conditions. An Adverse Effect will only occur when the Sites Authority has an actual measurable effect to achieving the offramp threshold and there are measurable increases in CVP or SWP Export flow rates.
- c. The Parties will use their best efforts to assess the actual and forecasted operating conditions and will take the following actions in response to each Delta operations condition, as described in subsection b:
- i. “Close Excess” - If the Delta operations conditions identified in subsection b.i exist, then DWR and Reclamation will inform the Sites Authority to either cease or reduce diversions to a level that offsets the Adverse Effect, and the Sites Authority shall promptly comply with such a request.
 - ii. “Specific Excess with Export Restrictions” - If Delta operations conditions identified in subsection b.ii exist, then the Sites Authority, DWR, and Reclamation will jointly assess actual operations and evaluate to what extent Sites Reservoir Project diversions could result in an Adverse Effect. DWR and Reclamation will inform the Sites Authority if conditions allow for continued diversions. Specifically, but not limited to, when Delta E/I Ratio is the governing limit to CVP and/or SWP Exports, the 14-day running average of Delta Inflow may be affected by Sites Reservoir Project diversions. DWR and Reclamation will inform the Sites Authority to either cease or reduce diversions to a level that offsets the Adverse Effect, and the Sites Authority shall promptly comply with such a request.

- iii. “Offramps” - If Delta operations conditions exist as identified in subsection b.iii, a potential Adverse Effect may exist only when the remaining flow amount to achieving the Offramp threshold is less than the amount of Sites Reservoir Project diversions. If DWR and Reclamation determine that the remaining flow amount to achieving the Offramp threshold is less than the amount of Sites Reservoir Project diversions and achieving the Offramp threshold will allow for an increase in CVP and/or SWP Exports, then DWR and Reclamation will inform the Sites Authority to either cease or reduce diversions to a level that offsets the Adverse Effect, and the Sites Authority shall promptly comply with such a request.

Delta operation conditions necessitating Close Coordination under the “Offramps” scenario include, but are not limited to, the following:

1. LTO Rio Vista Flows – When Rio Vista flows are greater than 55,000 cfs, there is an Offramp from the juvenile longfin OMR Flow Criteria restriction that may reduce the OMR Flow Criteria requirement and lead to increased CVP and/or SWP Exports. The higher OMR Flow Criteria requirement is reinitiated when flows at Rio Vista drop below 40,000 cfs. Other OMR Flow Criteria restrictions still apply, but effective operations are managed to a less restrictive OMR Flow Criteria condition.
 2. 2024 ITP NDOI – When NDOI (3-day average) is greater than 44,500 cfs, there is an Offramp from Exports constrained by percentage of San Joaquin flow for Spring outflow. The Offramp eliminates the Export restriction relative to the Export Curtailment for Spring Outflow (also referred to as the San Joaquin River Inflow to Export Ratio), but other OMR Flow Criteria still apply.
- iv. The Parties will continue Close Coordination during the response actions identified in subsection c, monitor the system response to all DWR and Reclamation-directed adjustments to Sites Reservoir Project diversion, and consider further response actions to be taken (either additional reductions to Sites Reservoir Project diversions if not completely suspended, or less or no reduction of Sites Reservoir Project diversion assuming the reduction or termination that was made did not have the expected system effect and/or did not mitigate for the Adverse Effect).
 - v. The Parties will abide by a process that allows the Sites Authority to present evidence to DWR and Reclamation that demonstrates that no Adverse Effect is occurring or will occur in any of the conditions under subsections b.i, b.ii, or b.iii. DWR and Reclamation will give such evidence due consideration.