

Why are some local agencies reassigning a portion of their capacity interest in Sites Reservoir?

Some participating agencies are adjusting their future storage commitments to better align with their long-term water supply needs and financial priorities. This capacity is being reassigned to the Bureau of Reclamation, ensuring it remains dedicated to the Project while preserving strong North State participation and benefits.

Does this mean local agencies are losing confidence in Sites Reservoir?

No. In fact, the opposite is true.

No participating agency is leaving the Project. These agencies continue to support Sites Reservoir and remain committed partners. The reassignment reflects prudent long-term planning and demonstrates the flexibility of the Project's partnership structure as it moves toward construction.

Does this mean more Northern California water is being sent to Southern California?

No. This reassignment does not change how the Project operates nor diminish the benefits Sites will provide to Northern California communities, agriculture, refuges, and the environment. Sites Reservoir remains a Northern California project designed to improve water reliability for participating agencies while delivering significant statewide benefits.

Why is the Bureau of Reclamation increasing its participation?

Reclamation has long recognized the value of Sites Reservoir and is authorized to participate in up to 25 percent of the Project.

Additional participation supports important federal and state objectives, including improved Sacramento River temperature management for fisheries, enhanced drought resilience, and greater operational flexibility throughout the Central Valley Project. Reclamation's expanded role also reflects its decades-long involvement in advancing the concept of Sites Reservoir.

What does this mean for the future of the Project?

This reassignment strengthens the Project's partnership structure and positions Sites Reservoir for long-term success. It ensures project capacity remains fully utilized while maintaining broad local, state, and federal support.

Does this change affect the Project schedule?

No. Sites Reservoir continues to advance toward construction. The Project is nearing completion of the water right process and final permitting activities. Completing capacity reassignments now helps maintain momentum toward a planned construction start in early 2027.

How is transparency being maintained?

The Sites Project Authority conducts its business through public meetings and open decision-making processes.

As part of that commitment, the Authority Board directed staff in 2025 to prioritize existing participants and Reclamation in any early capacity reassignment discussions. Project partners and stakeholders will continue to receive regular updates as the Project advances.

Does this affect Proposition 1 or federal funding eligibility?

No. The reassignment does not affect the Project's eligibility for state or federal funding. Sites Reservoir remains the largest recipient of Proposition 1 Water Storage Investment Program funding and continues to provide the public benefits that justified those investments, including environmental improvements, emergency drought response capabilities, and enhanced statewide water reliability.

What happens next?

The Project team remains focused on securing the final approvals, permits, and agreements needed to begin construction.

Following issuance of a water right, participating agencies will execute long-term storage agreements that commit them to their share of Project costs and benefits. With strong support from local agencies, the State of California, and the federal government, Sites Reservoir is positioned to move from decades of planning to construction—delivering one of California's most significant new water infrastructure investments in generations.

Is this unusual for a project of this size?

No. Large infrastructure projects routinely experience adjustments in participation levels as partners refine their long-term needs and financial commitments. The flexibility to reassign capacity among committed partners is a strength of the Sites Reservoir partnership model and helps ensure long-term project stability.

What does this say about confidence in Sites Reservoir?

Confidence in the Project remains exceptionally strong. Sites Reservoir has secured unprecedented local, state, and federal support; received more than \$1.3 billion in Proposition 1 funding commitments; advanced through major environmental and permitting milestones; and continues to be recognized as one of California's most important climate resilience and water reliability projects.