

June 26, 2026 Workshop Direction Discussion Matrix

Comment No.	Document or Section	Revisions / Comments	Actions	JPA Response
1.	B&O Contract 15.2	Revision: Any change in this Contract resulting from the negotiations referenced in subsection (a) above shall provide that, for any action(s) specified in this Contract or the Sites Authority Bylaws requiring the approval of the Reservoir Management Board, such action will require the approval of such weighted share of the Project Participants as is specified in this Contract or the Sites Authority Bylaws, as applicable, where the weighted share of each Project Participant shall be calculated as (a) one divided by the total number of Project Participants, multiplied by 50, plus (b) the Base Facilities Capacity Interest of each Project Participant divided by the total Base Facilities Capacity Interest of all Project Participants identified in Appendix 2, multiplied by 50, such that the weighted share total of all Project Participant shares shall total 100. Further, the weighted voting structure described in this Section 15.2.2 shall apply during the pendency of such negotiations.	Change that was provisionally agreed upon during the workshop has been replaced by changes proposed by Participant counsel.	Change made in the B&O Contract, and conforming edits made to Section 5.7(b) of the Bylaws. See proposed changes to Section 4.12 and Section 15.2
2.	B&O Contract 15	Revision: Change “this Contract” to “The Delegation” in Section 15. Define “The Delegation” in the contract as it is derived from the JPA and Bylaws.	Attorneys to confirm language and retain severability. Attorneys to also check the 7 or so cross-references.	See proposed changes to Section 4.12 and Section 15.2
3.	B&O Contract 4.6	Revision: Revert to original language from Authority obligation ending at Funks or TRR to Funks, TRR, or the confluence with the Sacramento River. These (Funks, TRR, or confluence...) are the “Point of Delivery” for Participants, and will be listed in the table in the B&O.	Address questions regarding the various references.	See proposed changes to Sections 4.6.
4.	B&O Contract 4.6 and 13.1	Revision: Better define the Authority responsibilities to the Secondary Point of Delivery.	Address questions regarding the various references.	See proposed changes to Sections 4.6.

5.	B&O Contract 4.6.5	Comment: For losses in Downstream Facilities that are not “Reasonable”, water losses (AF) will be allocated to Participants holding Downstream Capacity and the Sites Authority will protect the water right and pursue actions to mitigate losses, seek remedy, and/or prevent future losses.	Should be covered by Beneficiary Pays principle, but discuss whether there is a need to be more explicit.	See proposed changes to Sections 4.1.3.
6.	Bylaws Section 12.3.3	Revision: Include enforcement of the Water Right being a 75% shared decision that is not considered litigation	Authority to confirm approach	Change made
7.	B&O Contract Recitals	Revision: Add recital(s) or other language indicating that the Facility Partners acknowledge the studies in the Conveyance Capacity TM (confirm references historic and projected uses), which is appended to the Baseline Report. The Partners are committing to efforts to achieve these capacities at a second priority (or as described in the FUA relative to existing obligations) and work together to mitigate if not achieved.	Authority pursuing an alternative side letter approach for each agency, referencing a supporting technical memo to document (i) existing OM&R standards and (ii) available conveyance capacity/assumptions. In parallel, Authority will work to clarify the process in the FUAs for mitigating and resolving capacity issues if they arise in the future.	Remains under development. [Remains concern about facility capacity and what can be relied on]
8.	FUA	Confirm “Other Water” can be moved under FUAs.	Confirmed for FUAs. Excess Capacity Agreement with Reclamation does not currently allow for “Other Water”. This would need a separate agreement when implemented.	
9.	B&O Contract	Operational Guarantees: Participants requested that flow quantities, delivery timelines, and more explicit operational commitments be specified to maximize	See Item 7.	Remains under development.

		water diversions to ensure modeled baseline project benefits are met. There is concern that putting rigid operational metrics into the contract could create enforceable obligations that increase risk exposure for Participants which ultimately puts all Participants at risk of claims.		
10.	B&O Contract	Super-Priority for Sites Water: Certain Participants propose that moving Sites Water through downstream facilities should always take priority over the conveyance of Other Water. This proposal would represent a departure from the current priority framework, under which Downstream Capacity Interest holders retain first priority access to available capacity regardless of water type.	1. Continue with the ownership principle that Participants own their downstream capacity and can convey water, Sites Water or “Other”. 2. Handle any prioritization in the Operations Plan to allow for flexibility in the future and the facts surrounding “Other Water” in the future. 3. Confirm “full pipe” concept is still covered and clear. Owner can use, lease, or the unused capacity defaults back to the family.	See changes to Available Downstream Capacity definition and Section 4.3.2.
11.	B&O Contract Sections 8.3 and 8.4	Dedicated Central Valley Project / State Water Project Exchange Sections: Participants request contract language guaranteeing water exchanges with the Central Valley Project (CVP) and State Water Project (SWP) will be implemented by the Authority. While exchanges are addressed within the existing Section 8 and Appendix 9, this request appears to reflect a structural and stylistic preference rather than a policy conflict. Exchange ability can only be guaranteed by	Board directions are needed on whether to address the requested change. If incorporated, staff recommends that the text clearly assign all associated costs, regulatory approvals, and localized operational risks for the	See change to Section 8.2.9.

		other Parties, but the Authority will take action to facilitate the request if deemed viable.	specific exchanges to the requesting Participant(s).	
12.	General	Procedural Exhibits: Participants request that detailed mathematical examples or visual exhibits be added to the contract appendixes to clearly illustrate how complex formulas—such as pro-rata capacity trimming and default reallocations—would operate in real-world scenarios.	Example to be submitted and remain under review.	See change to add placeholder in Appendix 10 and references throughout pending finalization of the Appendix.
13.	Ops Plan Section 3.6.2.	Opt-Out Discretion: Participants request more explicit discretion to "opt out" of receiving project water diversions into their designated storage allocations. The Contract currently includes provisions addressing this concept though some Participants seek additional clarity and discretion.	See Item 10 above.	
14.	General	Indemnity: Participants request that when the Authority delegates decision-making powers to the Reservoir Management Board, the RMB members should be provided with formal indemnity covering their actions. Because any such indemnity would ultimately be funded collectively through the Authority.	Change withdrawn by Participants.	
15.	General	Good Industry Practice and consistency with draft Facilities Use Agreements.	Review different uses of Good Industry Practice, Best Efforts, Commercially Reasonable, and confirm consistency.	References to best efforts have been changed throughout to commercially reasonable efforts reflecting Sites will take actions a reasonable business person in similar circumstances would take to achieve a specified objective, taking into account its legitimate business interests, costs, risks, and practical considerations.