

Participant Credit Reimbursement Liability Update

June 26, 2026



Participant Credit Reimbursement Liability Update

Purpose of Presentation: Discussion and update on status of Credit Reimbursements and future credits and application of credit balances. No action taken at this time.

Background:

- 2016 – Sites retained Larsen Wurzel & Associates to develop Credit Reimbursement Policy and related liability amount.
 - Approved by the board in 2018 and updated in 2020 and 2021.
 - Liability of approximately \$9 million has been carried on Sites' financial statements since 2021, reflecting contributions to date.
- The liability balance be is expected to be paid or credited after the initial financing as follows:
 - Organizations that have fully withdrawn would be paid out (\$2.1million) with project financing and/or paygo funds
 - Remaining participants would receive a credit against their future participant obligations at the time a Participant's cash payment is first due.
- With the recognition/payout of the liability, all existing participants have contributions equal to \$608.50/ac foot of yield.
- After execution of the Benefits & Obligations Contracts, an additional true-up will occur to account for current/future reallocations.

Participant Credit Reimbursement Liability Update

BOR

- To date, BOR has contributed 22-25% of cost, which is above their current participation of 9% and anticipated participation of 16%.
- At the Start of phase 3/4/5, the Authority would defer drawing additional funds from BOR until BOR's cumulative share of costs is equal to 16%.

Opportunity Cost Fee

- Approved by the Board in 2022
- Applies to certain new participants and is an approved set amount of \$90.26/ac foot of supply as of 2026.
- Revenue generated from the Opportunity Cost Fee will be applied toward reduction of the \$9 million credit liability.
- To date, no revenue has been received from the opportunity cost fee.



Entity	Storage Allocation*	Yield Allocation*	Storage Percentage Allocation*	Cash Call Contribution	Voluntary Reduction Credit	Cash Contribution after Credit	Contribution per AF of Yield as of 7/1/25
*As of 7/1/2025							
Antelope Valley-East Kern Water Agency	3,117	500	0.221%	\$ 348,527	\$ (44,277)	\$ 304,250	\$ 608.50
City of American Canyon	24,936	4,000	1.77%	2,434,000	-	2,434,000	608.50
Coachella Valley Water District	62,340	10,000	4.42%	6,540,732	(455,732.14)	6,085,000	608.50
Colusa County	62,340	10,000	4.42%	6,085,000		6,085,000	608.50
Colusa CoWD	57,702	9,256	4.09%	6,736,717	(1,104,440.74)	5,632,276	608.50
Cortina Water District	2,805	450	0.199%	273,825	-	273,825	608.50
Davis Water District	12,468	2,000	0.884%	1,217,000		1,217,000	608.50
Desert Water Agency	40,521	6,500	2.87%	3,955,250		3,955,250	608.50
Dunnigan Water District	18,527	2,972	1.31%	1,876,745	(68,283.32)	1,808,462	608.50
GCID	31,170	5,000	2.21%	3,591,735	(549,235)	3,042,500	608.50
Irvine Ranch Water District	6,234	1,000	0.442%	608,500		608,500	608.50
LaGrande Water District	6,234	1,000	0.442%	608,500		608,500	608.50
Metropolitan Water District of Southern CA	311,700	50,000	22.1%	30,425,000		30,425,000	608.50
RD108	24,936	4,000	1.77%	3,022,024	(588,024)	2,434,000	608.50
Rosedale-Rio Bravo Valley Municipal	3,117	500	0.221%	304,250	-	304,250	608.50
San Bernadino Valley Muni Water District	133,408	21,400	9.46%	13,146,862	(124,962)	13,021,900	608.50
San Gorgonio Pass Water Agency	87,276	14,000	6.19%	8,519,000		8,519,000	608.50
Santa Clara Valley Water District	3,117	500	0.221%	2,096,097	(1,791,847)	304,250	608.50
Santa Clarita Valley Water Agency	31,170	5,000	2.21%	3,042,500		3,042,500	608.50
Westside Water District	33,508	5,375	2.38%	4,641,447	(1,370,760)	3,270,688	608.50
Wheeler Ridge-Maricopa Water Storage	19,014	3,050	1.35%	2,374,319	(518,394)	1,855,925	608.50
Zone 7 Water Agency	62,340	10,000	4.42%	6,333,813	(248,813)	6,085,000	608.50
Total	1,037,980	166,503	73.6%	108,076,849	(6,864,768)	101,317,076	608.50
California Water Service	Withdrawn			650,281	(650,281)	-	
Carter MWC	Withdrawn			75,311	(75,311)	-	
Garden Highway MWC	Withdrawn			74,318	(74,318)	-	
Orland-Artois Water District	Withdrawn			743,179	(743,179)	-	
Pacific Resources MWC	Withdrawn			371,589	(371,589)	-	
4M Water District	Withdrawn			18,579	(18,579)	-	
Proberta Water District	Withdrawn			111,477	(111,477)	-	
Western Canal Water District	Withdrawn			130,056	(130,056)	-	
Total				2,174,791	(2,174,791)	-	
Total				\$ 110,251,640	\$ (9,039,559)	\$ 101,317,076	
Federal	128,020	20,536	9.08%	31,876,418	-	31,876,418	1,552.24
State	244,000	39,140	17.3%	43,769,818	-	43,769,818	1,118.28
Total	372,020	59,676	26.4%	75,646,236		75,646,236	
Grand Total	1,410,000	226,179	100%	\$ 185,897,875		\$ 176,963,311	

Note: All above information has been included on the annual Parti

Thank you

