

Reservoir Committee and Authority Board Meeting

Agenda Item 2.5:
Resolution to Offer Capacity and Service

September 18, 2026

Resolution to Offer Capacity and Service

Issue for Discussion

Consider approval of Resolution 2026-02 to offer capacity and service in the Sites Reservoir Project—formally initiating the investor commitment process based on substantial completion of Conditions Precedent and contingent on finalizing remaining items coincident with anticipated Final Water Right approval.

The principal objectives of the 2020 Strategic Plan have been accomplished

During Phase 2, the project goals have been focused on achieving a Project that is:

- ✓ **Permittable**
- ✓ **Affordable**
- ✓ **Buildable**
- ✓ **Supported by an effective organization**

Advancing our shared vision:

Affordable water sustainably managed for California's farms, cities, and environment for generations to come.

Real benefits and a strong coalition

Water Storage and Supply

Each Storage Partner is granted their proportional share of

1.41 Million Acre Ft

of new storage

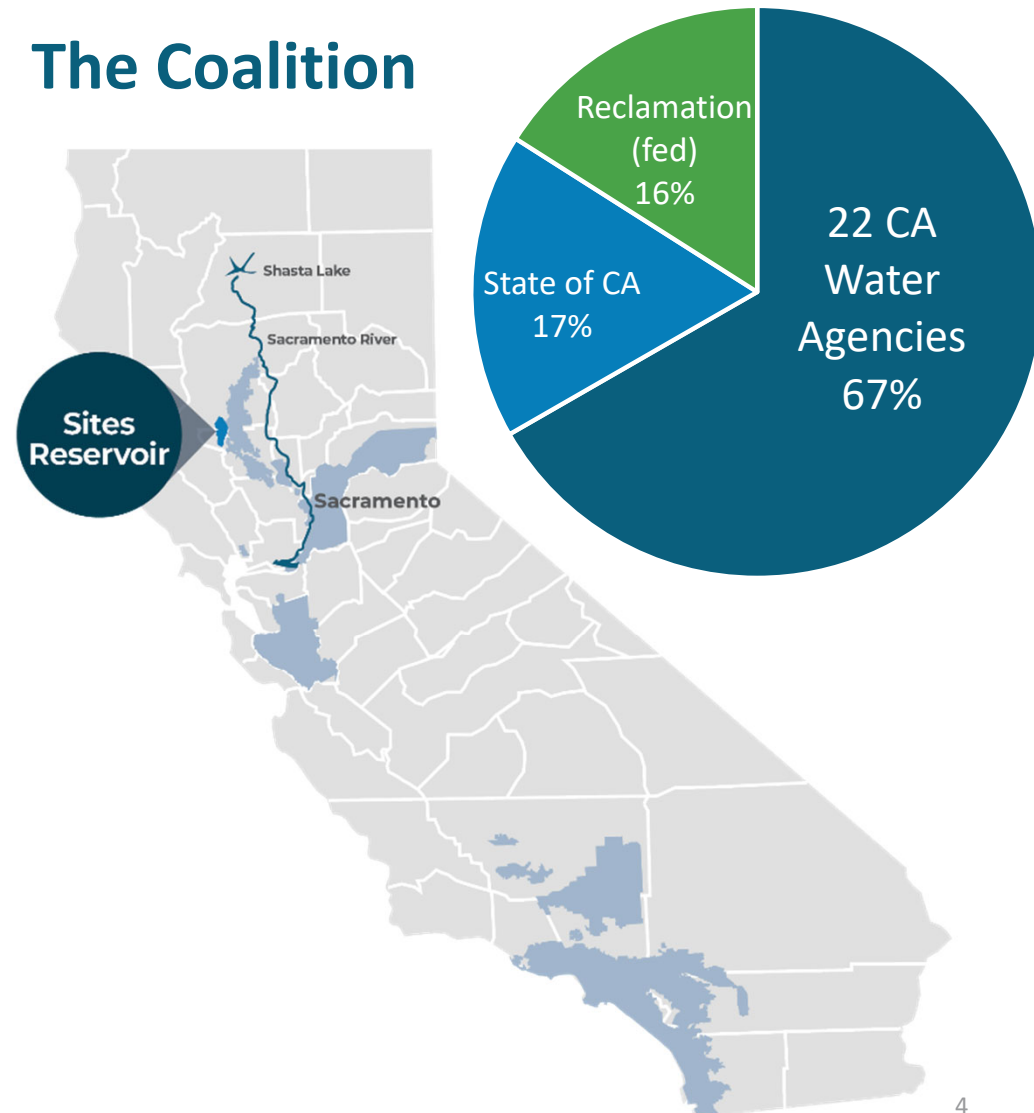
Recreation

Local Flood Control

Jobs

Economic Development

The Coalition



Permittable – the Project has achieved permitting sufficiency to initiate P3/4/5

- Sept 2026 Revised Draft Water Right
 - Key revisions:
 - Treats Sites the same as all new water rights in the upcoming Bay-Delta Plan Updates (Terms 30 and 31)
 - Adjusted diversion criteria to strike a balance of beneficial uses (Term 23)
 - Establishes date certain continuance to secure creek water for local uses
 - Minimum terms and conditions necessary for Project to remain viable
 - Nov 4 anticipated approval

State/Local

- CEQA Compliance
- ITP Construction
- ITP Operations
- Lake and Streambed Alteration
- 401 Clean Water Act certification
- DSOD Confirmation of Dam Design Criteria
- County Developer Agreements
- Conveyance and Exchange Agreements
- MOUs with Air Districts Colusa Co. Expected in Sept
- KLOG Ops Term Sheet
- Facility Partner Agreements Expected in Sept

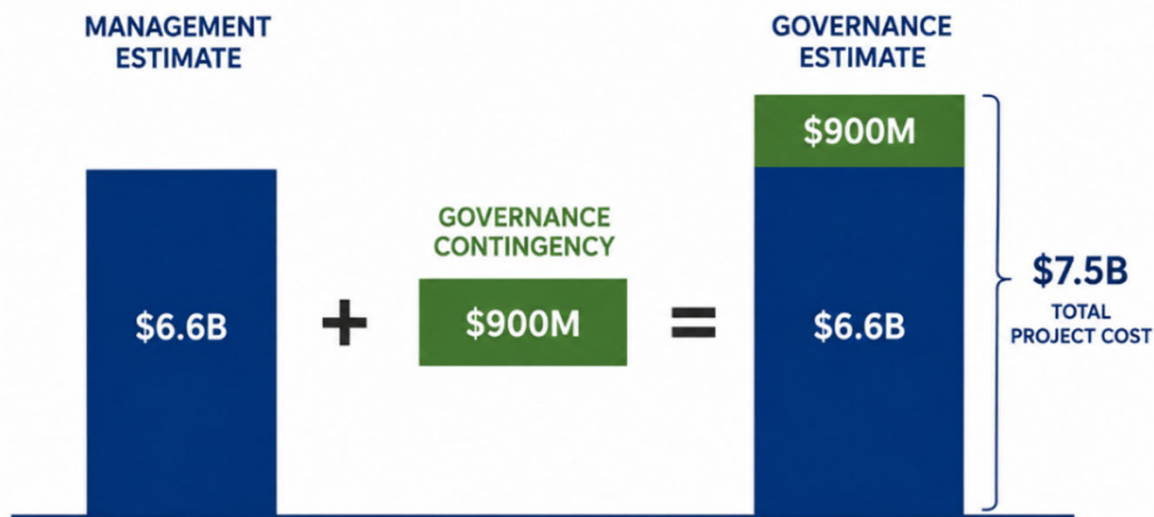
Completed!!

Federal

- NEPA Record of Decision
- Operations Biological Opinion
- Construction Program Biological Opinion
- Section 106 Programmatic Agreement
- ACOE 404 Clean Water Act Permit Expected in Sept
- Agreement to Coordinate Operations
- Excess Capacity Agreement
- CVPIA IL4 Water Donation Agreement

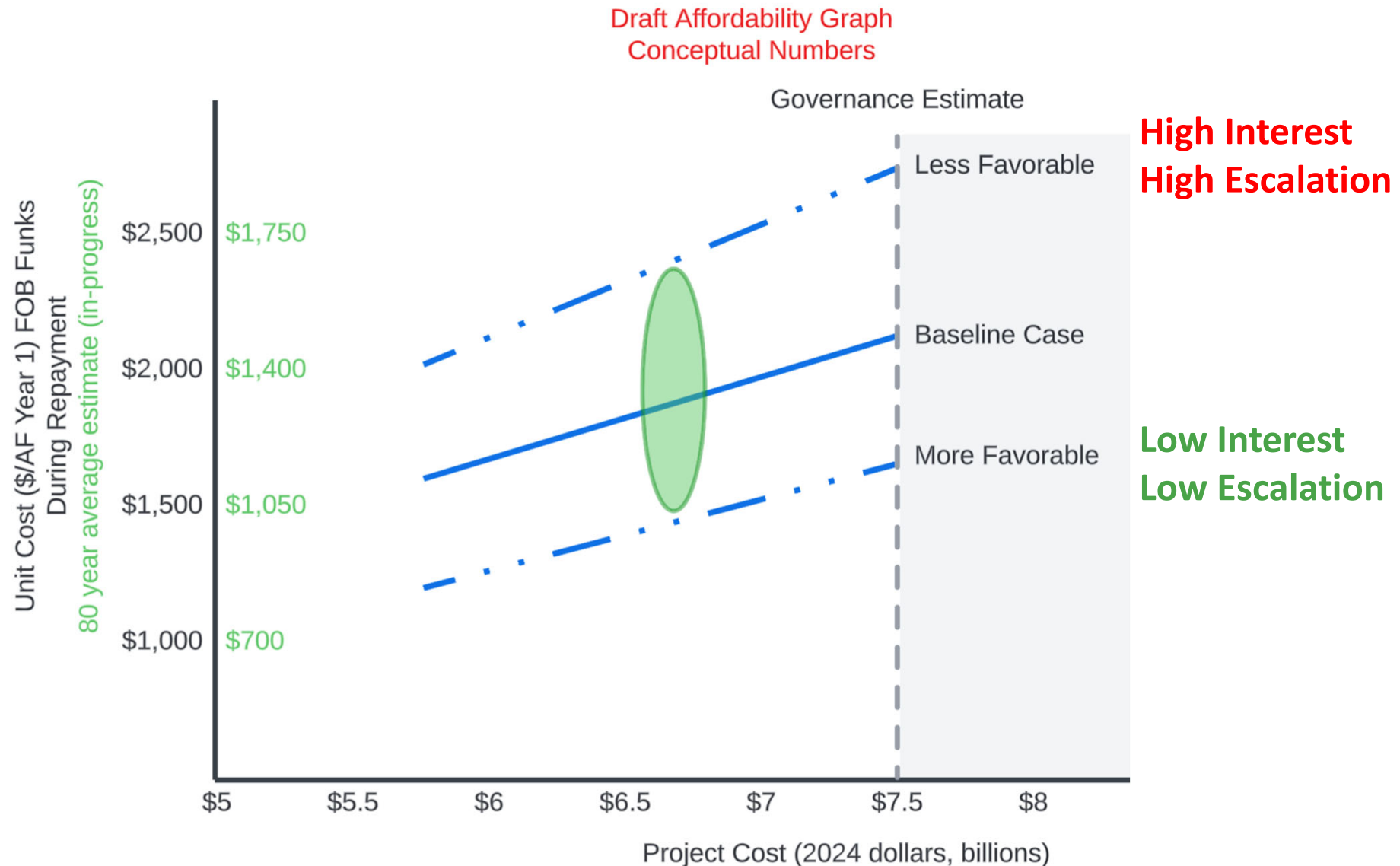
Confidence has been built into setting cost expectations and managing risks

PROJECT COST IN 2024 DOLLARS

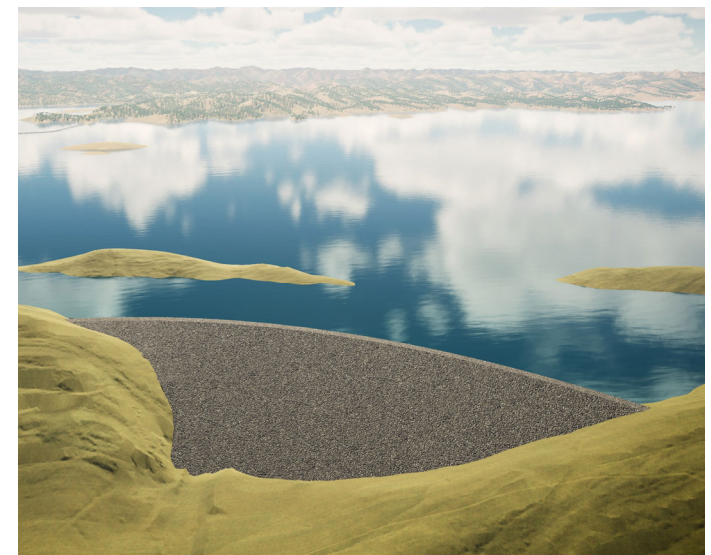
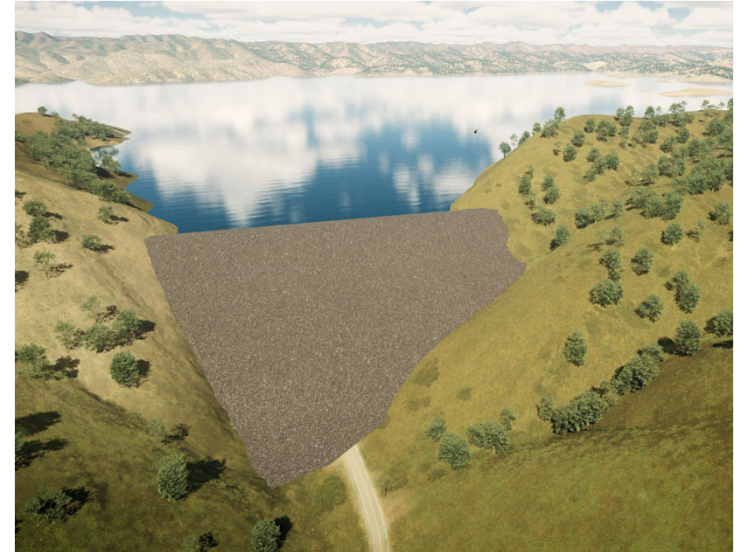
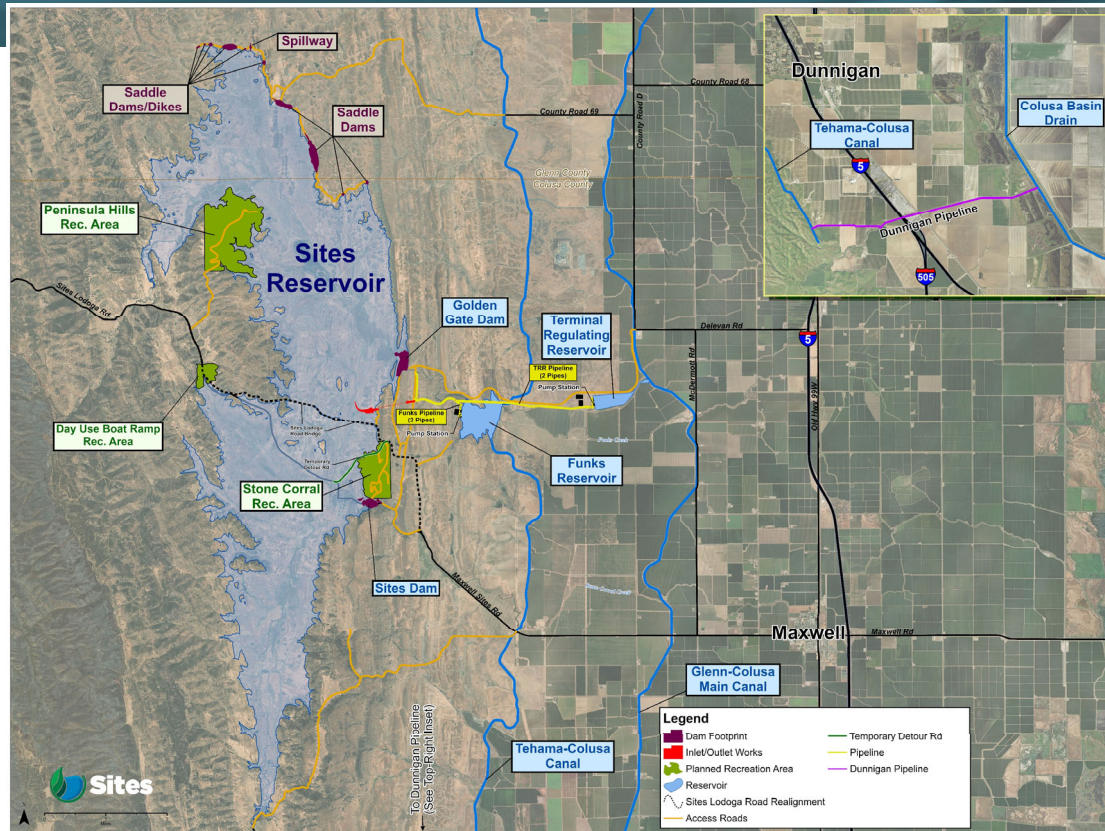


- ✓ 30% design and Dam Safety review
- ✓ AACE Class 3 cost estimate
- ✓ Risk-informed contingencies
- ✓ Finance-ready structure with low-cost options and flexibility

Affordable – the remaining big drivers for affordability are interest rates and escalation



Buildable – we know what it will take to get this project built and are building the team that can accomplish the task



The Project is ready to move to “investor commitment”, approval today keeps the Project on track

- Staff recommends approval of Reso to Offer Capacity
- Presents a clear, orderly pathway for Storage Partner decisions; avoids “go first” / sequential posture
- **Time is of the essence:**
 - cost + schedule benefits
 - political support
 - activate the waitlist if needed
- A deadline for completing investor commitment will be set after Final Water Right, anticipated Dec 2026
- Remaining Items will be completed prior to final water right
- Existing Authority funds will be fully exhausted by 7/1/2027
 - Reso directs Staff to have 2027 ST Term Notes funding ready to go by April 1, 2027

Questions?