



Sites Reservoir Project Update

Water Supply and Demand Management Committee
June 8, 2026

Project Overview

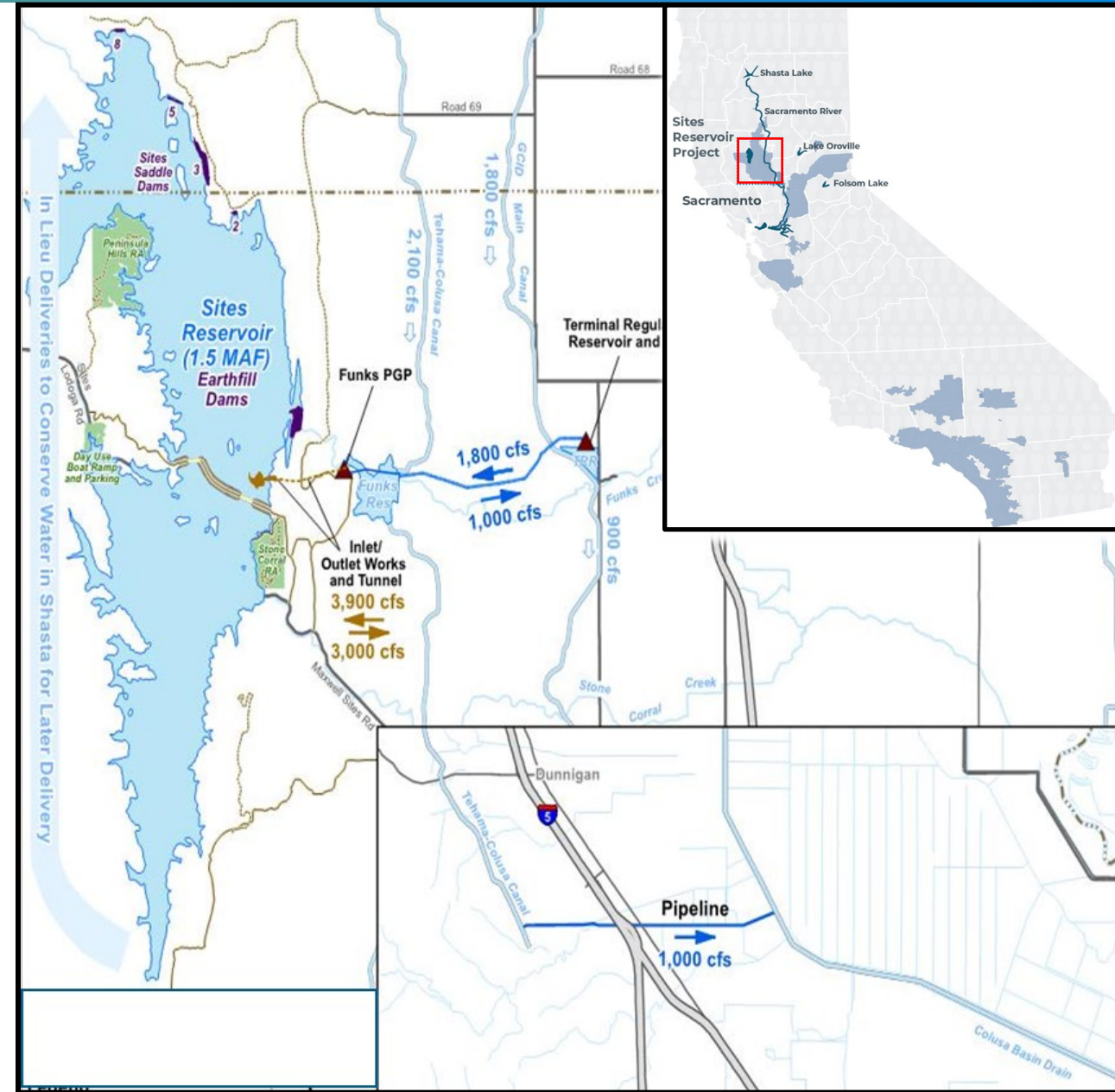
1.41 MAF Off-Stream Reservoir

Diverts / stores excess winter storm flows

Project is fully subscribed

- State and Federal participation
- 22 Local Agencies (including VW)

Waitlist to Join Project



Update on Sites Water Right Permit

- Draft water right permit issued March 2026
- Revised draft water right permit expected mid-July
- Final water right permit decision expected in September

Update on Sites Water Right Permit

4

- Diversion criteria at odds with CDFW Incidental Take Permit
- Terms inconsistent with proposed Bay Delta Plan Update implementation
- Involves Sites Authority in South Delta export operations that should be managed by SWP and CVP

Update on Benefits & Obligations Agreement

5

Participants:

- own capacity interest in project
- seat on Reservoir Management Board
- decide how their storage space is operated
- can sell Sites water to Participants / non-Participants
- can sell or lease their storage space and/or conveyance
- first right of refusal for leases / sales

Update on Benefits & Obligations Agreement

6

- Can terminate project prior to completing construction.
- Vote need to continue construction when total payments reach \$500 million.
- If Participant defaults, Authority looks for volunteers to take defaulted share. If unsuccessful, defaulted share will be apportioned pro rata to remaining participants.
- Participant's pro rata share may not be increased by more than 50% of their voluntary participation level

Update on Benefits & Obligations Agreement

7

Contract terms still under negotiations:

- Point of delivery terms for water released from Sites Reservoir
- Use of Partner facilities to move water into and out of Sites Reservoir
- Revised language on project governance

Update on Federal Participation Terms

Partnership Agreement

- Reclamation will have 16% share of storage and conveyance capacity
- Reclamation will:
 - Commit to provide \$798 million in appropriated federal funds
 - Pursue remaining funds needed to pay for their 16% share
- If Reclamation is unable to secure funding for full 16% share during construction, they forfeit unpaid capacity but keep portion that's been paid.

Update on State Participation Terms

[Contract for Administration of Public Benefits](#)

State WSIP funding to date: \$1.094 billion

Project must provide public benefits:

- Ecosystem
- Recreation
- Flood Control
- Drought Emergency Response - NEW

State Participation Terms

[Contract for Administration of Public Benefits](#)

Ecosystem Benefit: 17.3% of storage and conveyance dedicated to delivering water to refuges

Recreation Benefit: Construction of recreation facilities for boating, swimming, and fishing, hiking, and camping.

Flood Control Benefit: (1) incidental flood protection for local creeks in the Project's watershed through Flood Management Plan

and (2) maintain "Safe for Continued Use" Judgment by the Division of Safety of Dams.

State Participation Terms

[Contract for Administration of Public Benefits](#)

11

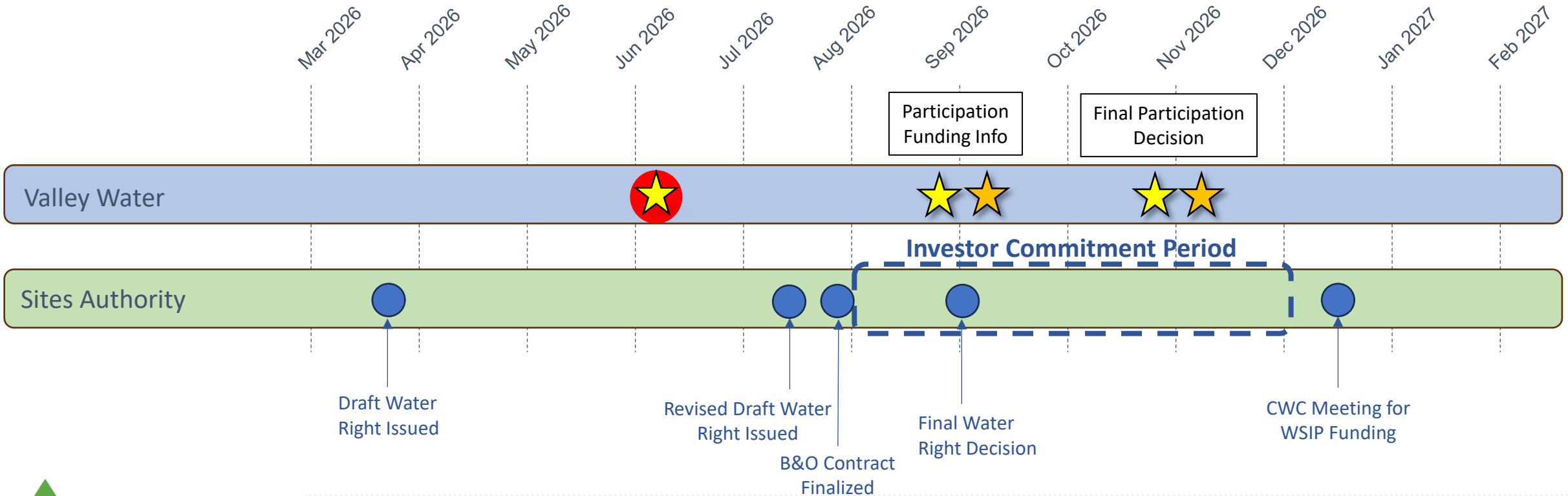
Drought Emergency Response Benefit: M&I Participants commit to operating their storage space to provide water in the 3rd consecutive drought year, and/or consider water transfers from other Sites participants to meet target.

- Each participant's use of their own stored water counts towards this benefit.
- No obligation or commitment to provide water to other Participants.
- Agencies opt-in to this benefit when Benefits & Obligations Agreement is executed.

Expected Schedule*

* Schedule subject to change

★ = WSDMC
★ = Full Board



QUESTIONS



THIS PAGE INTENTIONALLY LEFT BLANK