

Sites Reservoir Project Plan of Finance Summary and Overview of Agreements

October 28, 2025

Metropolitan Water District of
Southern California

Subcommittee on Imported Water,
Item 3a



Topics

- Sites Reservoir Project Overview
 - State of California (DWR/CDFW)
 - U.S. Bureau of Reclamation (USBR)
 - Participants and the Interested Parties “Waitlist”
- Sites Decision-Making Structure
- Sites Plan of Finance: Key Funding Sources
- Timeline

Sites Overview

Brief Project Summary Recap



Location of Sites Reservoir relative to other major California water Infrastructure

Sites proposed new facilities:

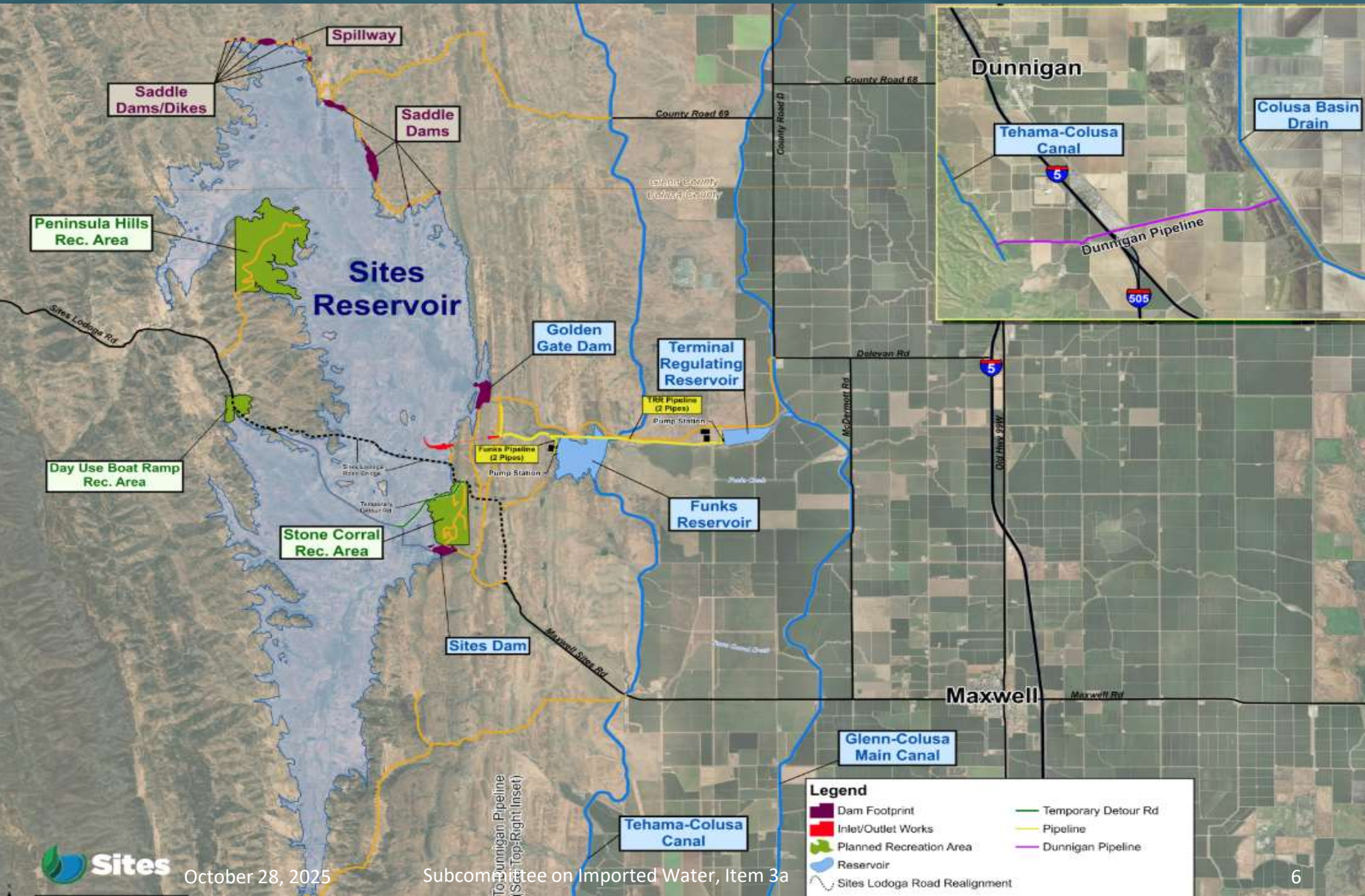
- 1.5 million af off-stream reservoir
- Pumping and generating plants on existing canals
- Pipelines into and out of the reservoir and back to the Sacramento River



Overview of Sites Reservoir Project

- A multi-benefit, beneficiary pays off-stream surface storage project.
- **Captures and stores stormwater flows from the Sacramento River; Primarily releases in dry and critical years for California communities, farms, and ecosystems.**
- Diversions would only occur when permitted river flows exist that are protective of river and Delta aquatic species.
- The Sites Authority has applied for a new water right to divert water from the Sacramento River at Red Bluff and Hamilton City.
- The Project includes about 180 miles of conveyance. Only about 20 miles is new facilities. The remainder is shared existing infrastructure.
- **Sites water is to be conveyed "through Delta" to southern California participants - not reliant upon the proposed Delta Conveyance Project.**
- The Project is climate resilient.

Sites Project Facilities



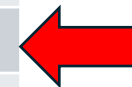
Current Allocation of Active Sites Storage Space

(planning level estimates, subject to change)

Participant Name	Amendment 3 Participation Level	Amendment 3 Storage Allocation	% Available Storage ^{1, 2, 3}
Antelope Valley-East Kern WA	500	3,117	0.2%
City of American Canyon	4,000	24,936	1.8%
Coachella Valley WD	10,000	62,340	4.4%
Colusa County	10,000	62,340	4.4%
Colusa County WD	9,256	57,702	4.1%
Cortina WD	450	2,805	0.2%
Davis WD	2,000	12,468	0.9%
Desert WA	6,500	40,521	2.9%
Dunnigan WD	2,972	18,527	1.3%
Glenn-Colusa ID	5,000	31,170	2.2%
Irvine Ranch WD	1,000	6,234	0.4%
LaGrande WD	1,000	6,234	0.4%
Metropolitan Water District of SC	50,000	311,700	22.1%
Reclamation District 108	4,000	24,936	1.8%
Rosedale-Rio Bravo WD	500	3,117	0.2%
San Bernardino Valley Municipal WD	21,400	133,408	9.5%
San Geronio Pass WA	14,000	87,276	6.2%
Santa Clara Valley WD	500	3,117	0.2%
Santa Clarita Valley WA	5,000	31,170	2.2%
Westside WD	5,375	33,508	2.4%
Wheeler Ridge - Maricopa WSD	3,050	19,014	1.3%
Zone 7 WA	10,000	62,340	4.4%
State of California - Total	n/a	244,000	17.3%
Reclamation	n/a	128,020	9.1%
Available Storage Total		1,410,000	100.0%

At a glance:

North of Delta – 19.4%
 South of Delta – 53.9%
 Reclamation – 9.1%
 State Prop 1 – 17.3%



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Interested Parties – Participant waiting list

alphabetical listing (as of 10/15/25)

Agency	Average Annual Water Supply requested (af)	Equivalent Storage Based Allocation Participation* * (af)
* Bureau of Reclamation	15,600	97,250
City of Fairfield	1,500	9,351
City of Napa	4,000	24,936
Dudley Ridge	1,500	9,351
Eastern Municipal Water District	1,600	9,974
Glenn County	1,000	6,234
La Cumbre Mutual Water Company	1,000	6,234
Madera County GSA	10,000	62,340
Palmdale Water District	2,000	12,468
Pacific Resources MWC	2,000	12,468
* Santa Clara Valley Water District	5,500	34,287
Western Municipal Water District	1,600	9,974
Westlands Water District	10,000	62,340
* Wheeler Ridge - Maricopa WSD	3,700	23,066
Woodland Davis Clean Water Agency	5,000	31,170
City of Mountain House	5,500	34,287
Total	71,500	445,731

* denotes existing Participants

*Waiting List Unmet demand =
31% of total storage capacity*

*North of Delta – 7.4%
South of Delta - 16.4%
Reclamation – 7%*

Additional Evaluations to be done before Investor Commitment Starts Relative to Local Facilities

We will not be able to get all agreements and design advanced before Investor commitment starts in March 2026, but we think we can do is:

- Achieve a Letter of Mutual Understanding that:
 - Is signed by willing parties, Authority included
 - Identifies anticipated project operations,
 - Documents existing concerns that will need to be addressed in final agreements,
 - Establishes a non-binding commitment to work cooperatively to execute final agreements on a schedule that aligns with project implementation
- Finalize a tech memo that lays out the scope, schedule, and budget for extending the Dunnigan Pipeline to the River to represent the contingency plan.
- Add assumption for losses in CBD to operations model
- Develop itemized cost estimate for CBD improvements rather than using a contingency (refined)
- Enter into an Operations Services Agreement with RD108 for operations of the Lower Colusa Basin Drain System (incl. Dunnigan Pipeline, Upper/Middle/Lower Reaches, KLOG) and include an estimate of \$5-15 per acre foot in updated plan of finance for this service
- Verify that modeled local facility capacity is adequate and understand opportunities for increased capacity at times to accommodate planned Sites releases.

Sites Decision-Making Structure

Overview of Key Participants, Structure and Agreements



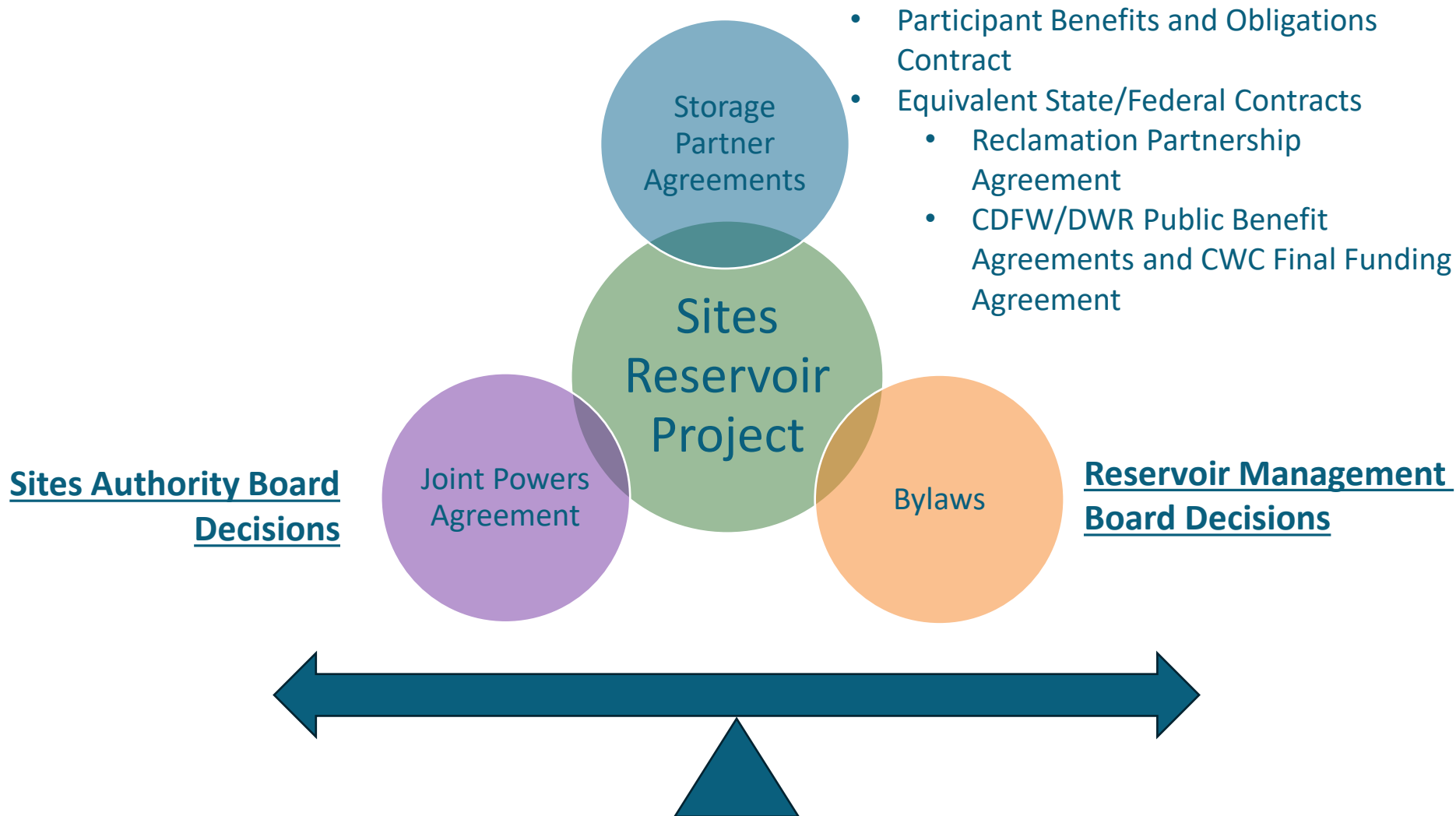
Sites Reservoir Key Partnership Structure

Sites Project Authority – JPA
(Water districts and Counties in Local Area)



Reservoir Management Board
- 22 water districts, voting (Participants)
- Federal Government, non-voting
- State Government, non-voting

A Balanced Decision-Making Structure



Bylaws and JPA Agreement

Key Issues and Role of Document



The Authority will operate under the JPA Agreement, Bylaws and State law. All Participants have an option to be a non-voting member of the JPA.



A loss of Good Standing results in the loss of voting rights and/or removal from the Reservoir Management Board.



The Authority will operate for the benefit of Members, Participants and Storage Partners



JPA, RMB and Shared Powers are specified and may be amended only with the approval of both Boards.



Formal Dispute resolution between Authority Board and Reservoir Management Board involves mediation and binding arbitration

Decisions by the Sites Authority

- Secure and maintain water rights and environmental approvals
- Enter into State and Federal contracts
- Exercise eminent domain
- Secure financing
- Be held accountable for public fund expenditures
- Engage with the local community
- Approve the Reservoir Management Board's adopted operating and capital budget (with limited ability to disapprove)

Decisions by the Reservoir Management Board

- Approve budget, oversee all expenditures
- Approve and oversee the project work plans
- Authorize and oversee contracts
- Manage and implement all design, construction, operations and maintenance activities
- Ensure audit and accounting standards are met
- Direct activities and ensure compliance related to meeting state and federal contracts and permits
- Take all actions necessary to effectuate the project consistent with applicable laws and regulations

Shared Decisions - Reservoir Management Board and Authority Board

- Acquire, use, and dispose of land
- Agreement and operations changes with Local Facility Operators
- Changes to environmental permits and approvals
- Changes to the Sites Water Right
- Changes affecting ability to achieve 25% Local Participation Goal
- Recreation management
- Amending the Bylaws
- Changes to Authority debt financing
- A decision to terminate the Project
- Forming a new project JPA
- Executing a new B&O Contract
- Establishing and changing risk management policy
- Conducting outreach, leg affairs and public relations
- Initiating and defending against litigation
- Selecting and evaluating an Executive Director and General Counsel

Benefits and Obligations Contract



The Authority will **construct and own Sites Project facilities**



The **Participants will own capacity rights** in Sites Project facilities



The **Authority will operate** such facilities for the benefit of the Participants in accordance with the B&O contracts and pursuant to direction from the Participants



The **Authority will contract to use certain local facilities** for the benefit of the Participants in accordance with the B&O contracts and pursuant to direction of the Participants.



The **Authority will secure a Sites water right and allocate diverted Sites water** to the Participants in accordance with the B&O contracts and pursuant to the direction of the Participants

Federal and State Contract Overview

CDFW/DWR Public Benefit Agreements and CWC Final Funding Agreement

- Prop 1 pays for public benefits
 - Ecosystem
 - Flood Control
 - Recreation
- Current MCED = \$1,094m
- Expected to be ~ 17% of the reservoir
- Final conditions subject to State economic evaluation

Reclamation Partnership Agreement

- WIIN Act – Sites is a locally-led Storage Project
- Federal Feasibility concluded a range of 16% to 25% investment
- Current Appropriated Funds - \$780m
- Anticipating similar conditions to B&O Contract
- Future funds subject to Congressional Appropriation

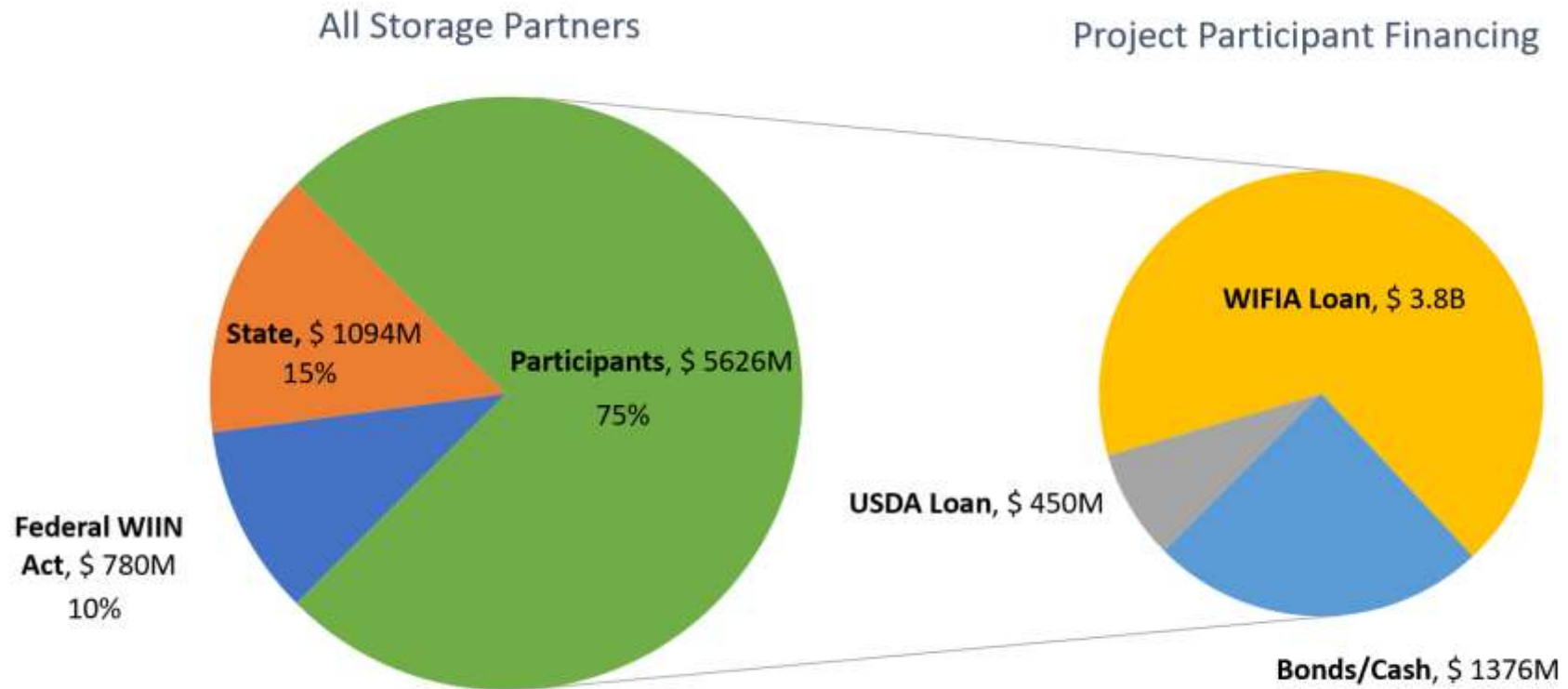
Per the B&O Contract, whatever the State and Bureau do not pay for becomes the responsibility of Participants in proportion to their capacity interest in the project

Sites Plan of Finance

Overview of Key Funding Sources

Identified Project Funding Sources

A Local, State, and Federal Partnership



Sites' Project Plan of Finance

- Financing for Participants' share will be secured with the Benefits and Obligations Contracts
- Participants may opt to secure with:
 - Rates and Charges or Benefit Assessments
 - Land-Based Charges
 - DWR Acquiring their water and paying through SWP Statement of Charges
- Participants have the ability to participate in group financing or pay-go Project costs
- Financing Participants can opt to pay interest during construction or capitalize interest
- The Authority will hold a liquidity reserve to manage Project defaults and unexpected costs
- The Authority has access to cost-effective financing options:
 - Interim Financing: short-term notes, commercial paper, bank loans and lines of credit
 - Long-term Financing: WIFIA loans, tax-exempt revenue bonds
- The B&O contemplates a readiness to construct decision @ \$500M expended

Sites Timetable

Overview of Next Steps



Timeline: Construction is on the Horizon

Sites Reservoir Project Schedule



Questions?



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