



**WATER
AGENCY**

Sites Reservoir Project Workshop #1

Zone 7 Board Meeting

July 16, 2025

Project Supports Strategic Plan

GOAL B

Reliable Water Supply
and Infrastructure

Provide customers
with reliable water
supply and
infrastructure.

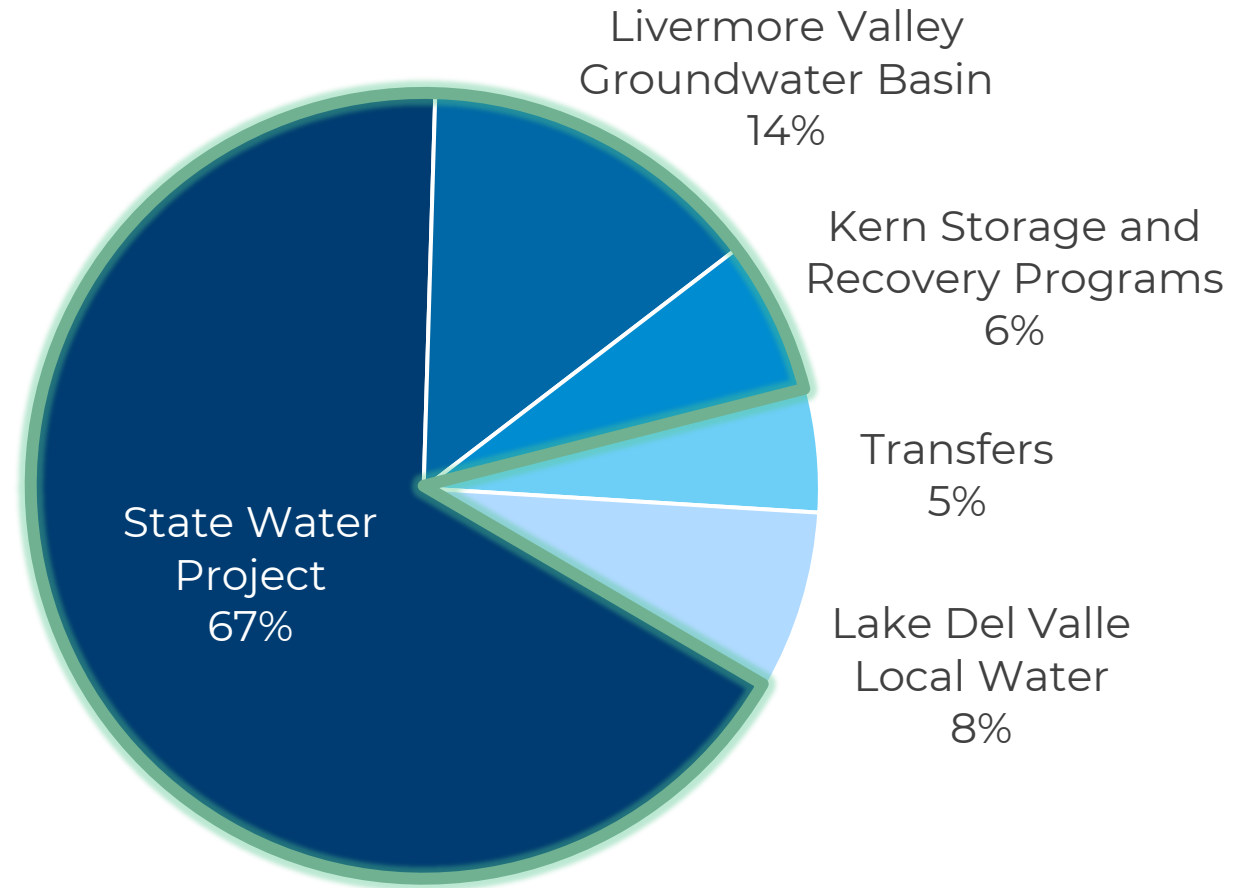
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Develop a diversified water supply plan
and implement supported projects and
programs

Zone 7's Existing Water Supply

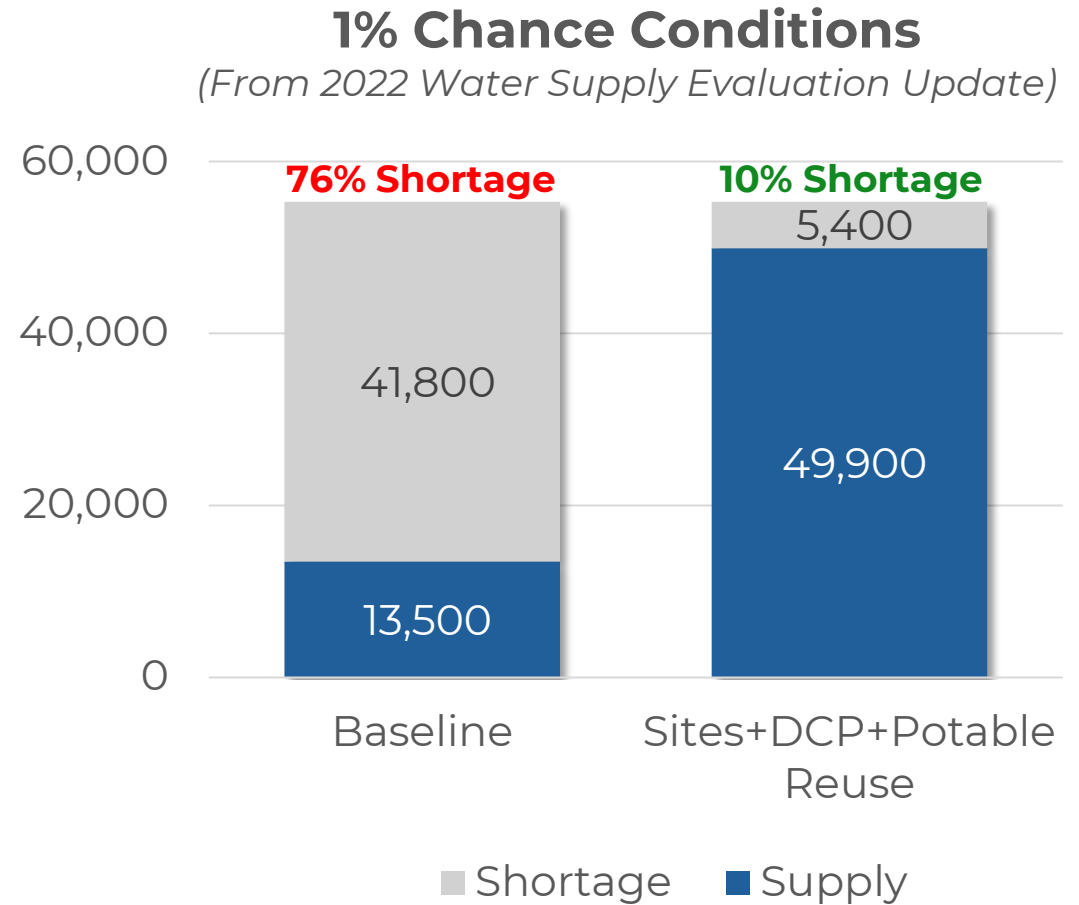
- 90% of Zone 7's annual water supply originates from the State Water Project (SWP)
- SWP delivery reliability has been declining and is projected to continue declining in the future

Average Annual Water Supply



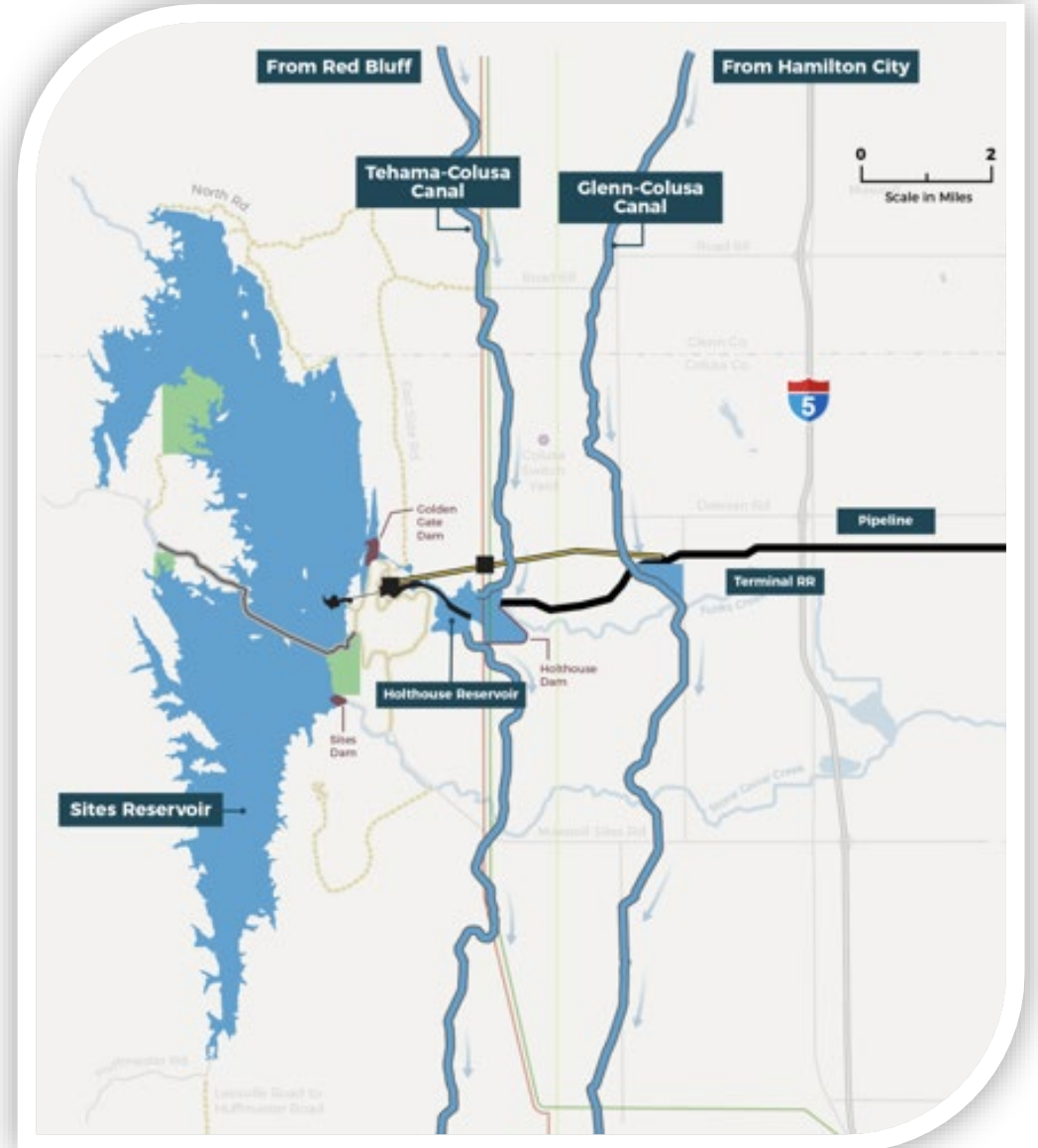
Why is Zone 7 Considering the Sites Project?

- Investing in new projects is needed to meet Zone 7's Reliability Policy
- Water supply portfolios containing 3+ new projects satisfy the Reliability Policy
- Sites Project with 2 new projects can significantly reduce shortages in dry and critical years
- Sites Project provides both new water supply and storage



Sites Project Overview

- 1.5 million acre-feet (AF) of new water storage
- 2nd largest off-stream reservoir in California
- Captures excess flows from the Sacramento River
- Participation from local agencies, State, and Federal agencies
- Currently fully subscribed with waitlist
- Fully operational 2032



Project Participants

Sacramento Valley

City of American Canyon
Colusa County
Colusa County Water Agency
Cortina Water District
Davis Water District
Dunnigan Water District
Glenn County
Glenn-Colusa Irrigation District
LaGrande Water District
Placer County Water Agency
Reclamation District 108
City of Roseville
Sacramento County Water Agency
City of Sacramento
Tehama-Colusa Canal Authority
Westside Water District
Western Canal Water District

Bay Area

Santa Clara Valley Water District
Zone 7 Water Agency

San Joaquin Valley

Wheeler Ridge-Maricopa Water Storage
District
Rosedale-Rio Bravo Water Storage District

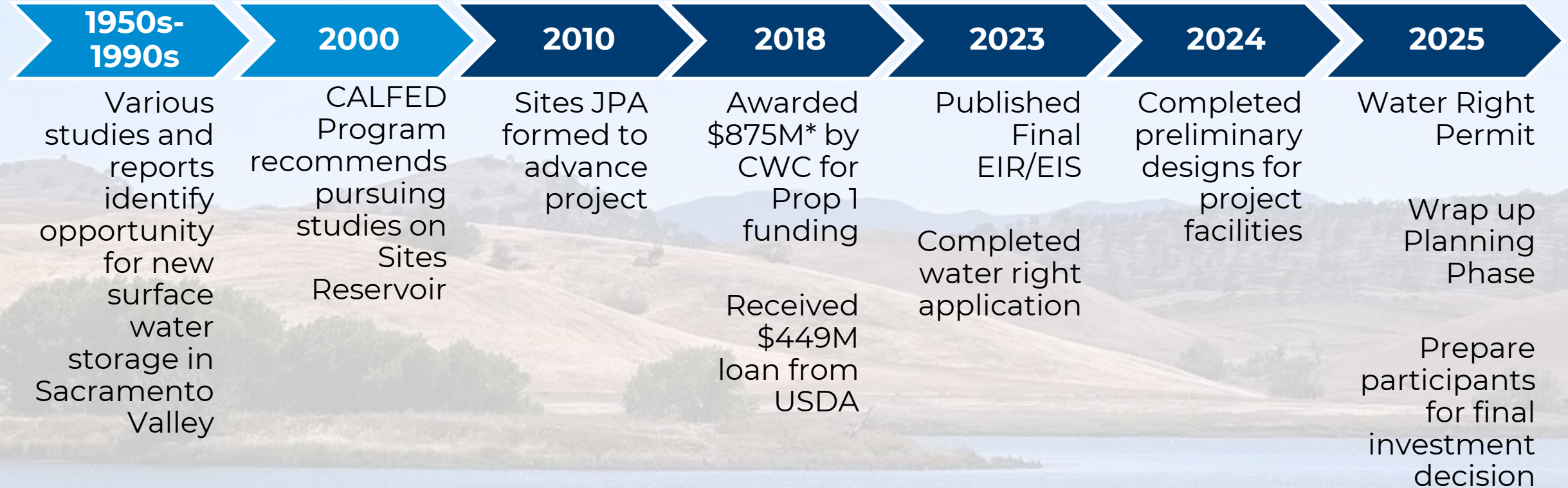
Southern California

Antelope Valley – East Kern Water Agency
Coachella Valley Water District
Desert Water Agency
Irvine Ranch Water District
Metropolitan Water District
San Bernardino Valley Municipal Water District
San Geronio Pass Water Agency
Santa Clarita Valley Water Agency

Waiting List

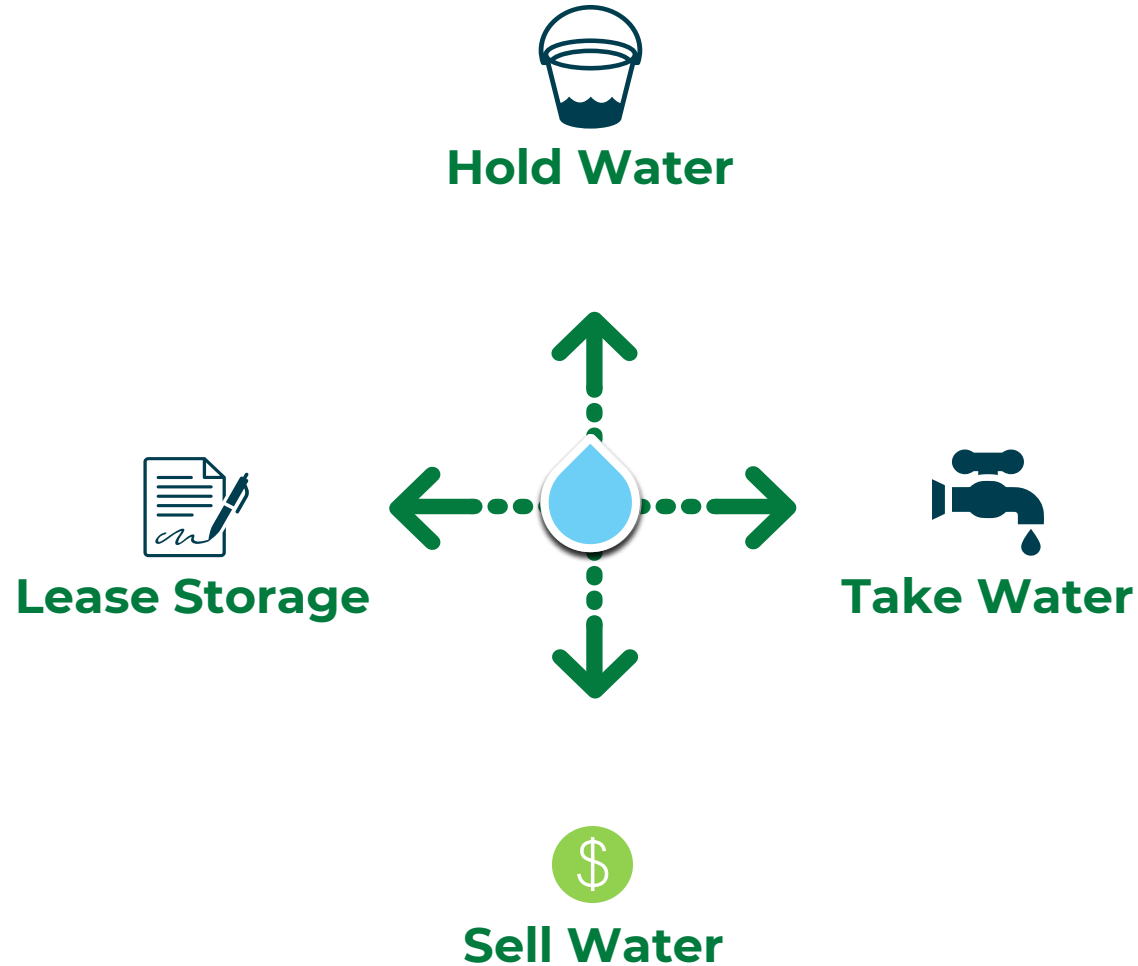
Cal-Am Sacramento
City of Napa
Delta View WUA
Eastern Municipal WD
Glenn County
La Cumbre MWC
Madera County
Pacific Resources MWC
Palmdale WD
Santa Clara Valley WD
Western Municipal WD
Westlands WD
Wheeler Ridge Maricopa WSD
Woodland Davis CWA

History of Sites Project



*Initial award was \$816M. Award is currently adjusted to \$875M.

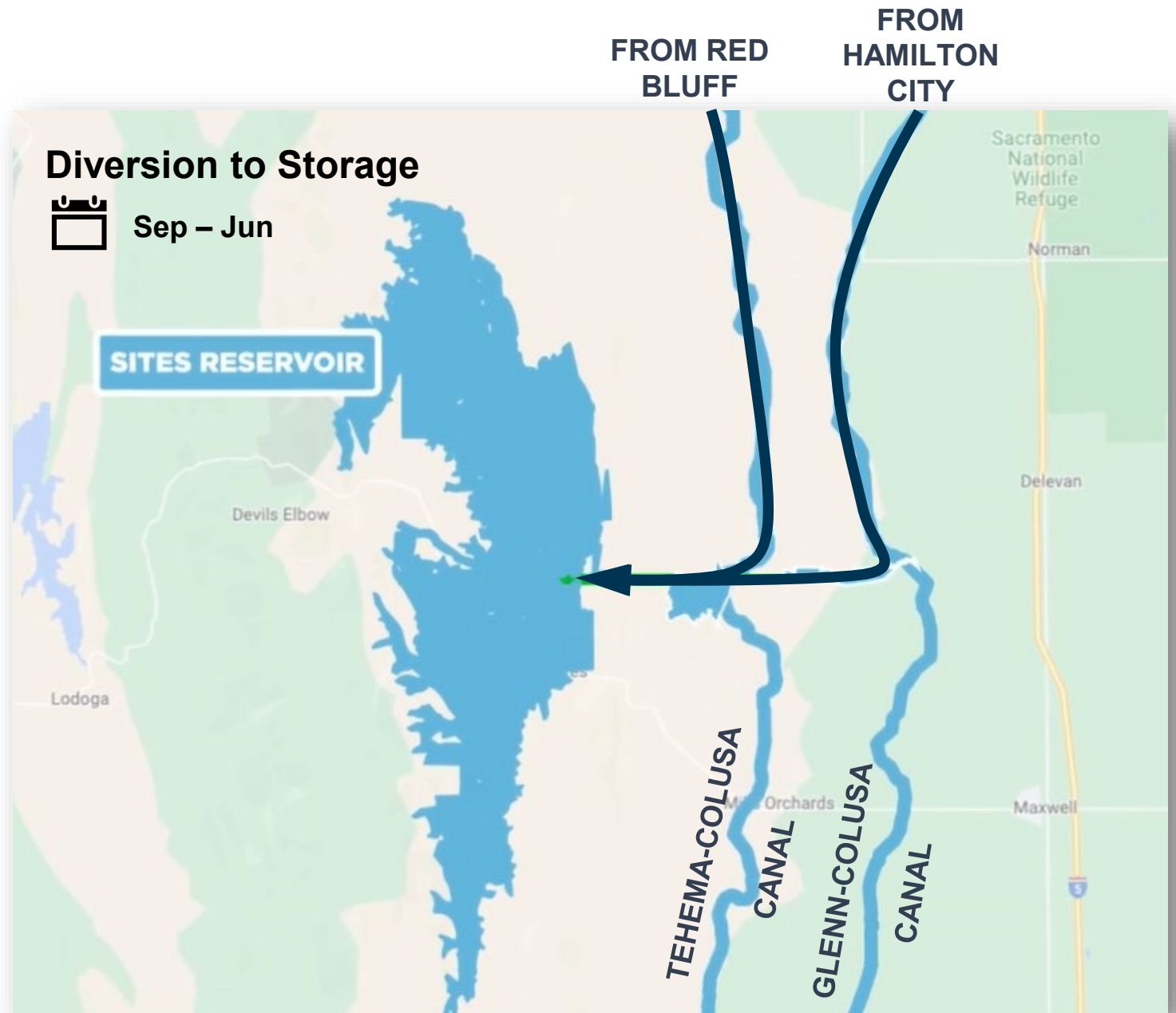
How does Sites work?



- Participants receive:
 - share of storage space
 - proportional share of Sites water diverted into reservoir
- Participants manage their own storage space
- Flexibility with storing, leasing, and selling water
- Water supply yield will depend on hydrology and operations

Operations

- Sites water is junior to existing water rights
- Utilizes existing and new conveyance facilities
- Conveyance capacity is shared proportionally to capacity interest
- Water is delivered through the Delta during transfer window

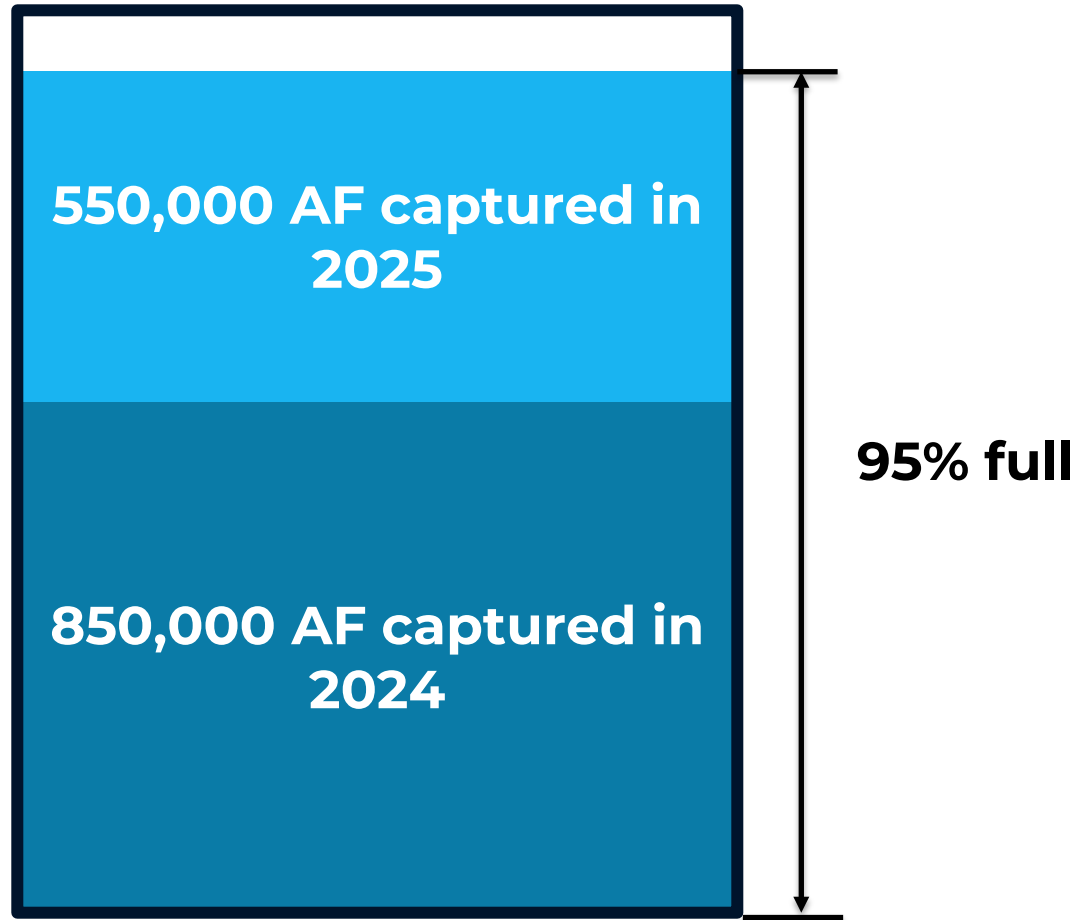


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Operations Simulation Results



- Sites Reservoir is designed to capture water in wet periods
- If it were operational today, the reservoir could have captured 1,400,000 AF over 2024-2025
- Enough to serve 3 million California households for a year

Project Benefits



New water supply and storage



Climate adaptation strategy



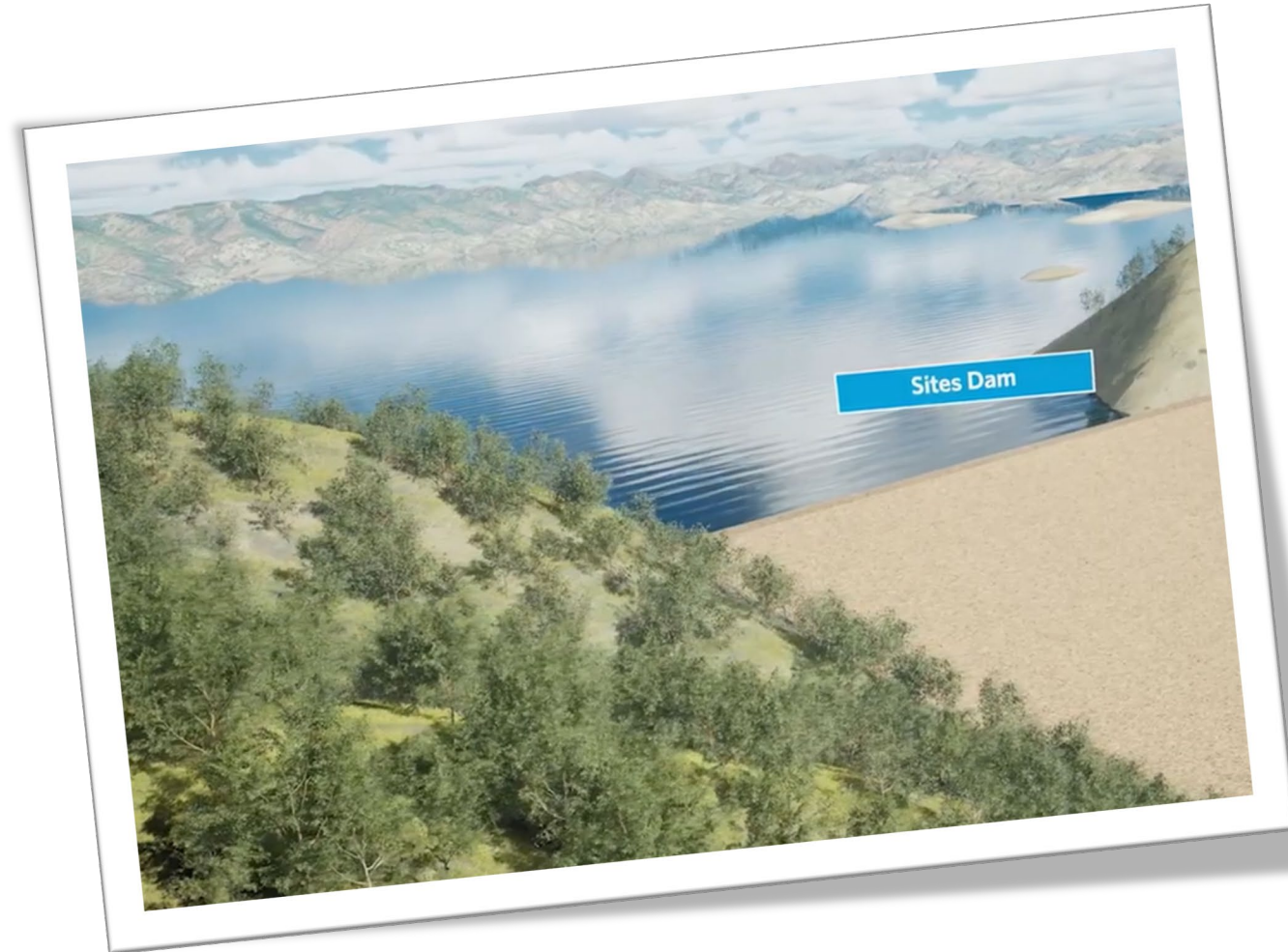
Environmental, flood control,
and recreation benefits



Local leadership and
cooperation

Key Benefits to Zone 7

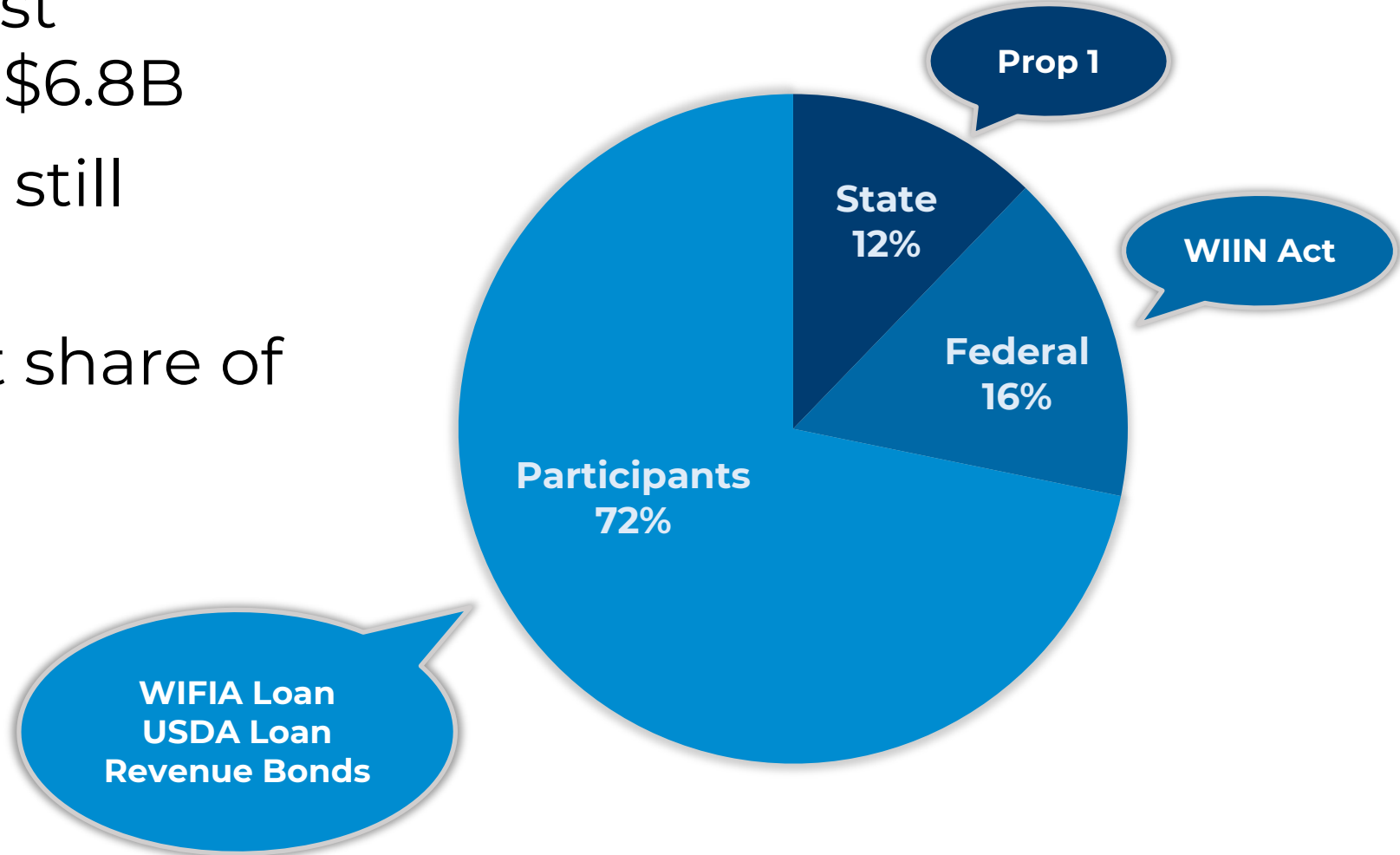
- 62,340 AF of new storage capacity
- Long-term average yield of 10,000 AF per year before conveyance losses



Project Funding

- Construction cost estimate: \$6.2B-\$6.8B
- Cost estimate is still being refined
- Zone 7's current share of capacity is 4.4%

Funding Sources



Recent Highlights

- Initiated land acquisition of key parcels
- Concluded CEQA process
- Water right decision expected in 2025
- Received an additional \$134M in federal funding in 2025
- Continued development of key agreements

Getting to Investor Commitment Period

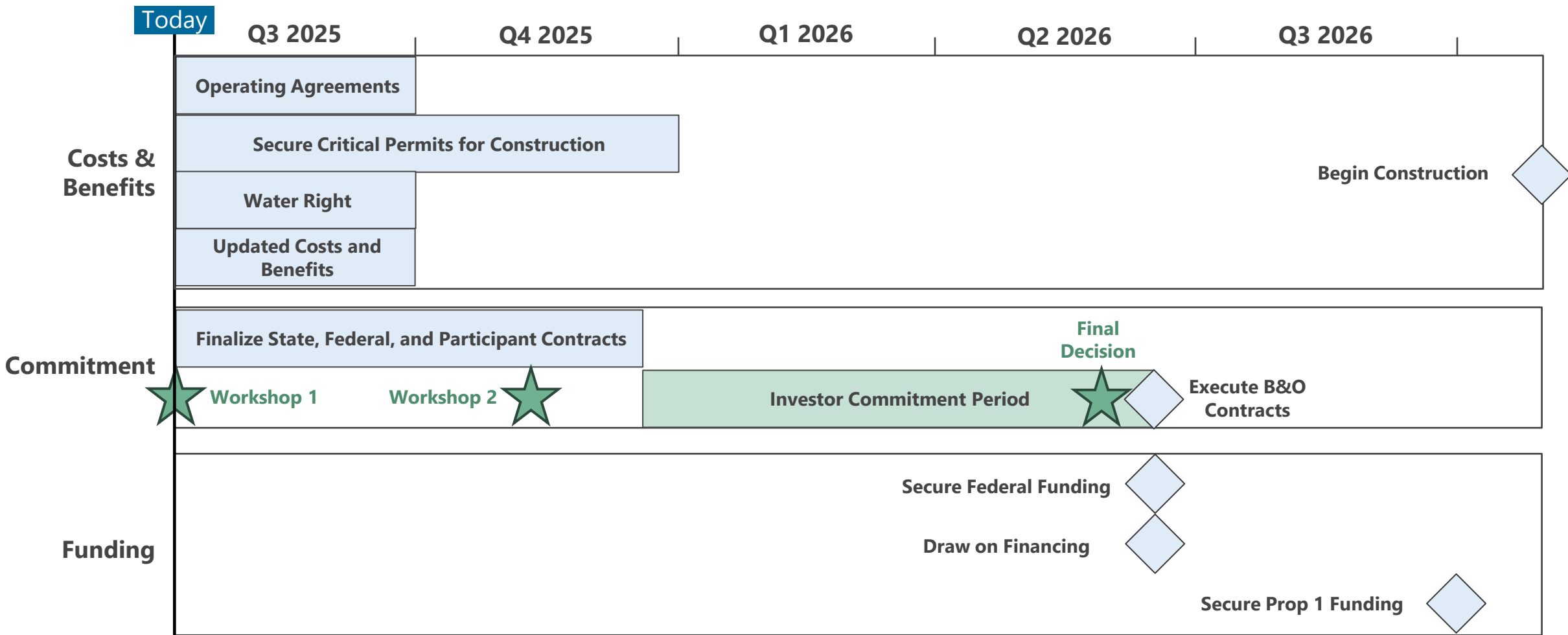
Investor commitment period: 6 months “hold” for commitment decisions

Key Deliverables	Description
Operating Agreements	Agreements facility partners, State, and Federal agencies on how Project will operate
Permits	Required for construction
Water Right	Affects the water supply benefits
Program Baseline Report	Updated cost and benefits analysis
JPA Agreement and Bylaws	Establishes JPA governance
Benefits & Obligations Contract	Agreement with Participants for commitment to the Project
Public Benefits Agreements	Agreement with State for providing public benefits
Federal Partnership Agreement	Agreement for Federal commitment to the Project

Zone 7 Planning Studies

- 2025 Urban Water Management Plan and M&I Demand Assessment
 - Anticipated completion: June 2026
- M&I Water Connection Fee Study
 - Anticipated completion: November 2025
- 10-Year Water System Capital Improvement Plan
 - Anticipated completion: November 2025

Timeline





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Questions?