

**SITES PROJECT AUTHORITY**

**2019 RESERVOIR PROJECT AGREEMENT**

**DATED AS OF APRIL 1, 2019**

**BY AND AMONG**

**SITES PROJECT AUTHORITY**

**AND**

**THE PROJECT AGREEMENT MEMBERS LISTED HEREIN**

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THIS 2019 RESERVOIR PROJECT AGREEMENT is made effective as of April 1, 2019, by and among (a) the Sites Project Authority (the “Authority”) and (b) certain Members and/or Non-Member Participating Parties, listed on the attached **Exhibit A** and is made with reference to the following facts:

### RECITALS

A. Various public agencies in the Sacramento River Watershed created the Authority in 2010. Various public agencies in the Sacramento River Watershed, including certain Project Agreement Members, previously entered into the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016, pursuant to which they are developing the Sites Reservoir Project, which is contained in the CalFed Bay-Delta program Programmatic Record of Decision, August 28, 2000. The Joint Powers Agreement provides a mechanism for “Project Agreements” (as defined in the Joint Powers Agreement) to undertake specific work activities for the development of the Sites Reservoir Project. On September 17, 2018, the Authority’s Board of Directors also adopted Bylaws for Phase 2 of the Sites Reservoir Project, which also address Project Agreements and their management through Reservoir Project Committees.

B. On April 11, 2016, certain Authority Members of the Authority entered into the PHASE 1 RESERVOIR PROJECT AGREEMENT which was amended and restated as of November 21, 2016.

C. The Authority and certain Project Agreement Members have undertaken a process to negotiate a 2019 Reservoir Project Agreement to undertake specific work activities.

D. The Project Agreement Members wish to continue development of the Project pursuant to a Work Plan approved by the Authority on November 19, 2018 and the Reservoir Project Committee on November 16, 2018 and a summary of which is described in **Exhibit B** attached hereto. The Project will be undertaken in the name of the Authority and in accordance with the Authority’s stated Mission as set forth in the fourth Recital of the Joint Powers Agreement. The Project Agreement Members are entering into this Project Agreement to satisfy the requirements of Article VI of the Joint Powers Agreement.

E. All members of the Authority have also been given the opportunity to enter into this Project Agreement. The form of this Project Agreement was determined to be consistent with the Joint Powers Agreement and the Bylaws and approved by the Authority’s Board of Directors on September 17, 2018.

F. The Authority and the Project Agreement Members acknowledge that one of the Authority’s goals, in addition to providing environmental benefits, is to develop and make both a water supply and storage capacity available to water purveyors and landowners within the Sacramento River watershed, and in other areas of California, who are willing to purchase either or both a water supply and storage capacity from the Sites Reservoir Project, and that the Project Agreement Members should have a preference to the water supply or storage capacity.

G. The Authority and the Project Agreement Members acknowledge that the approval and execution of this Project Agreement does not commit the Authority, the Project Agreement Members or any other party to any definite course of action regarding the Sites Reservoir Project. As

set forth in Section 6(a) of this Project Agreement, there are no assurances that the Sites Reservoir Project will be constructed. One of the prerequisites that would need to be fulfilled before the Sites Reservoir Project could be constructed is the completion of environmental review under the California Environmental Quality Act (“CEQA”). As part of this environmental review, the Authority, as the lead agency that is conducting the review, reserves all of its rights, responsibilities, obligations, powers, and discretion under the provisions of CEQA to: (i) evaluate the environmental impacts of the Sites Reservoir Project; (ii) deny and disapprove the Sites Reservoir Project if the environmental review reveals significant environmental impacts that cannot feasibly be mitigated; (iii) adopt feasible mitigation measures and/or an alternative to the Sites Reservoir Project to avoid or lessen significant environmental impacts; or (iv) determine that any significant environmental impacts that cannot feasibly be mitigated are outweighed by the economic, social or other benefits of the Sites Reservoir Project.

## **AGREEMENT**

THEREFORE, in consideration of the facts recited above and of the covenants, terms and conditions set forth herein, the parties agree as follows:

### **Section 1      Definitions**

“Authority” means the Sites Project Authority, a joint exercise of powers agency created pursuant to the Joint Powers Agreement.

“Authority Members” means the members of the Authority executing the Joint Powers Agreement, as such members may change from time-to-time in accordance with Section 3.3, Section 7.12 and Section 7.2 of the Joint Power Agreement.

“Board” means the Board of Directors of the Authority.

“Bylaws” means the Bylaws for Phase 2 of the Sites Reservoir Project adopted by the Authority on September 17, 2018, as such Bylaws may be amended or supplemented from time-to-time in accordance therewith.

“Committee” means the Reservoir Project Committee described in Section 3 of this Project Agreement.

“Fiscal Year” means the fiscal year of the Authority, which currently begins on January 1 of each calendar year and ends on December 31 of each calendar year, or such other twelve month period which may be designated by the Authority as its Fiscal Year.

“Joint Power Agreement” means the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016, as such agreement may be amended or supplemented from time-to-time in accordance therewith.

“Law” means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented from time-to-time.

“Material Change Item” shall have the meaning ascribed thereto in the Bylaws.

“Participation Percentage” means the Participation Percentages as set forth in **Exhibit A** hereto, as such Participation Percentages may be modified in accordance herewith.

“2019 Budget” means the 2019 Budget approved by the Committee on November 16, 2018 and the Authority on November 19, 2018, as such 2019 Budget may be amended or supplemented from time-to-time in accordance with the Joint Powers Agreement, this Project Agreement and the Bylaws.

“Project” or “Sites Reservoir Project” means the Sites Reservoir Project as described in **Exhibit B** hereto, as modified from time-to-time in accordance therewith.

“Project Agreement” means this Project Agreement, dated as of April 1, 2019, by and among the Authority and the Project Agreement Members listed on **Exhibit A** from time-to-time, as such Project Agreement may be amended or supplemented from time-to-time in accordance herewith.

“Project Agreement Members” means (a) the Authority Members listed in the attached **Exhibit A**, (b) the Non-Member Participating Parties listed in the attached **Exhibit A** and (c) additional Authority Members or Non-Member Participating Parties who execute this Project Agreement from time-to-time pursuant to Section 10 hereof.

“Work Plan” means the activities described in **Exhibit B** hereto as such description may be amended or supplemented from time-to-time.

## **Section 2      Purpose**

The purpose of this Project Agreement is to permit the Authority and the Project Agreement Members to continue development of the Project in the name of the Authority consistent with the Joint Powers Agreement. The activities undertaken to carry out the purposes of this Project Agreement shall be those, and only those, authorized by the Authority and the Committee in accordance with this Project Agreement, the Joint Powers Agreement and the Bylaws. Without limiting in any way the scope of the activities that may be undertaken under this Project Agreement, such activities shall include funding the Authority’s costs undertaken to carry out the directions of the Committee. Notwithstanding any other provision of this Project Agreement, no activity undertaken pursuant to this Project Agreement shall conflict with the terms of the Joint Powers Agreement or the Bylaws, nor shall this Project Agreement be construed in any way as creating an entity or combination of entities that is separate and apart from the Authority.

## **Section 3      Reservoir Project Committee**

(a) Committee Membership. The business of the Project Agreement Members under this Project Agreement shall be conducted by a Committee consisting of one member appointed by each Project Agreement Member. Appointment of each member of the Committee shall be by action of the governing body of the Project Agreement Member appointing such member, and shall be effective upon the appointment date as communicated in writing to the Authority. Project Agreement Members may also appoint one or more alternate Committee members, which alternate(s) shall assume the duties of the Committee member in case of absence or unavailability of such member. Project Agreement Members may also appoint an alternate Committee member from a different Project Agreement Member for convenience in attending Committee meetings, who may

cast votes for such Project Committee Members, provided that no person shall represent more than five other Project Committee Members and more than 20% of the weighted vote as provided in Subsection 3(g) at any given meeting; provided however, that if the appointing Project Committee Member is an officer of the Committee, the appointed alternate Committee member shall not assume the capacity of such officer position. In order to serve as an alternate Committee member, a written evidence of such designation shall be filed with the Committee Secretary. Each member and alternate member shall serve on the Committee from the date of appointment by the governing body of the Project Agreement Member he/she represents and at the pleasure of such governing body.

(b) Officers. The Committee shall select from among its members a Chairperson, who shall annually act as presiding officer, and a Vice Chairperson, to serve in the absence of the Chairperson. There also shall be selected a Secretary, who may, but need not be, a member of the Committee and a Treasurer. All elected officers shall be elected and remain in office at the pleasure of the Committee, upon the affirmative vote of at least a majority of the total weighted vote as provided at Subsection 3(g);

(c) Treasurer. The Authority Treasurer shall serve as the Committee's Treasurer and shall act as the Committee's liaison to the Authority's General Manager and Authority Board on financial matters affecting the Committee. The Treasurer shall prepare and provide regular financial reports to the Committee as determined by the Committee. The Treasurer shall not be required to be a member of the Board of Directors of the Authority.

(d) General Manager. The Authority's General Manager shall (1) serve as the Project Director responsible for advancing the Sites Reservoir Project, (2) be a non-voting member of the Committee, (3) ensure coordination of activities between the Authority and Committee, (4) convene, on an as needed basis, legal representatives from the Project Agreement Members and Authority Members to advise the General Manager on legal matters that will be reported to the Committee and Authority on a timely basis, and (5) coordinate the activities between the Committee and both the United States Bureau of Reclamation and Department of Water Resources.

(e) Meetings. The Chairperson of the Committee or a majority of a quorum of the members of the Committee are authorized to call meetings of the Committee as necessary and appropriate to conduct its business under this Project Agreement. All such meetings shall be open to the public and subject to the requirements set forth in the Ralph M. Brown Act (Government Code Sections 54950 et seq.).

(f) Quorum. A majority of the Committee members based on the weighted vote provided in Subsection 3(g) shall constitute a quorum of the Committee.

(g) Voting. Notwithstanding any provisions of the Bylaws that might be construed otherwise, for purposes of this Project Agreement, the voting rights of each Project Agreement Member shall be determined as follows:

(i) an equal number of voting shares for each Project Agreement Member as defined in **Exhibit A**, that being for each Project Agreement Member, 1 divided by the total number of Project Agreement Members, multiplied by 50; plus

- (ii) an additional number of voting shares for each Project Agreement Member equal to its respective Participation Percentage described in **Exhibit A**, multiplied by 50, using the version of **Exhibit A** in effect at the time the Committee votes.

The resulting weighted total of all voting shares shall equal 100. An Example of this weighted voting incorporating the formulas for determining participating percentages is attached at **Exhibit A**.

(h) Decision-making Thresholds. In accordance with Section 5.8 of the Bylaws, for purposes of this Project Agreement, approval by the Committee for material and non-material changes shall be as follows: for actions other than Material Change Items, action of the Committee shall be taken upon the affirmative vote of at least a majority of the total weighted vote as provided in Subsection 3(g); for Material Change Items, action shall be taken upon the affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g).

(i) Delegation of Authority/Powers and Limitations Thereon. Subject to the direction of the governing bodies of the Project Agreement Members, the Committee shall undertake all actions necessary for carrying out this Project Agreement, including but not limited to setting policy for the Project Agreement Members acting under this Project Agreement with respect to the Project; recommending actions to be undertaken in the name of the Authority under this Project Agreement; determining the basis for calculation of the Participation Percentages for each fiscal year, and the timing required for payments of obligations hereunder; authorizing expenditure of funds collected under this Project Agreement within the parameters of the Work Plan and budget; and such other actions as shall be reasonably necessary or convenient to carry out the purposes of this Project Agreement. This Section 3(i) is subject to any and all limitations set forth in the Joint Powers Agreement and Bylaws, including but not limited to, any action that constitutes a material change as defined at Section 12.3 of the Bylaws requiring the approval of both the Committee and the Authority Board, and actions specified in Section 10 of the Bylaws which remain exclusively with the Authority Board.

#### **Section 4      Funding**

(a) Budget. The Committee shall, in cooperation with the Authority's Board, provide and approve both a Fiscal Year operating budget and reestablish a Phase 2 budget target, annually or more frequently as needed. On November 19, 2018, the Board approved the Fiscal Year 2019 operating budget. The Work Plan, including annual budget, dated November 19, 2018, is attached at Exhibit B, along with the budget approval process and requirements. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums in accordance with Section 5 of this Project Agreement; provided, however, that in no event shall the amount paid by a Project Agreement Member exceed \$60 per acre-foot without the approval of such Project Agreement Member.

(b) Fiscal Responsibilities. Exhibit B specifies the Authority's requirements regarding the fiscal responsibilities of the Committee.

(c) Allocation of Project Agreement Expenses. The Project Agreement Members agree that all expenses incurred by them and/or by the Authority under this Project Agreement are the costs of the Project Agreement Members and not of the Authority or the Project Agreement Members of the Authority that do not execute this Project Agreement, and shall be paid by the Project Agreement Members; provided, however, that this Section shall not preclude the Project

Agreement Members from accepting voluntary contributions and/or Authority Board's pre-approval of in-kind services from other Authority Members, or Project Agreement Members, and applying such contributions to the purposes hereof. The Project Agreement Members further agree to pay that share of any Authority costs reasonably determined by the Authority's Board to have been incurred by the Authority to administer this Project Agreement. Before the Authority's costs of administering this Project Agreement become payable, the Authority will provide its calculation of such costs to the Committee, which will have the right to audit those costs and provide comments on the calculation to the Authority Board. The Authority Board shall consider the Committee's comments, if any, including the results of any such audit, in a public meeting before the Authority Board approves a final invoice for such costs.

## **Section 5      Participation Percentages**

Subject to Section 4(a), each Project Agreement Member shall pay that share of costs for activities undertaken pursuant to this Project Agreement, whether undertaken in the name of the Authority or otherwise, equal to such Project Agreement Member Participation Percentage as established in this Section 5. The initial Participation Percentages of the Project Agreement Member are set forth in the attached **Exhibit A**. These initial Participation Percentages are for the purpose of establishing the Reservoir Project Agreement Members respective responsibilities for costs under this Project Agreement and other amounts contained in the approved Fiscal Year budget and Phase 2 budget target, which is defined as the "Reservoir Total" on **Exhibit B**. The Participation Percentages of each Project Agreement Member will be modified by the Committee from time to time as the result of the admission of a new Project Agreement Member to this Project Agreement or the withdrawal of a Project Agreement Member, and **Exhibit A** shall be amended to reflect all such changes. Such amended **Exhibit A** shall, upon approval by the Committee, be attached hereto and upon attachment, shall supersede all prior versions of **Exhibit A** without the requirement of further amendment of this Project Agreement.

## **Section 6      Future Development of the Sites Reservoir Project**

(a) The Project Agreement Members acknowledge that the Sites Reservoir Project is still in the conceptual stage and there are no assurances that the Sites Reservoir Project will be constructed or that any water supplies will be developed as a result of this Project Agreement. **Exhibit B** includes a partial list of some of the risks and uncertainties that underlie the lack of assurances. The Project Agreement Members therefore recognize that they are not acquiring any interest in the Sites Reservoir Project other than their interest in the specific permitting, design, engineering and other materials that will be in the Work Plan Project as described in **Exhibit B**, and that the Project Agreement Members are not acquiring under this Project Agreement any interest in any future water supply or access to any other services from the Sites Reservoir Project except as provided hereunder.

(b) Without limiting the foregoing, any Project Agreement Member that elects to continue participating in the development, financing, and construction of the Sites Reservoir Project to the time when the Authority offers contracts for a water supply or other services, will be afforded a first right, equal to that Project Agreement Member's Participation Percentage, to contract for a share of any water supply that is developed, and for storage capacity that may be available from, the Sites Reservoir Project. In any successor phase agreements, Project Agreement Members who are parties to this Project Agreement that submitted a proposal to participate before February 15, 2019, shall be granted rights to contract for a share of any water supply that is developed, and for storage capacity

that may be available from the Sites Reservoir Project prior to the rights of those becoming parties to this Project Agreement after that date. The Authority and the Project Agreement Members will cooperate on the drafting of provisions in the water supply contract that will allow a Project Agreement Member or other eligible entity that commits to purchase a Sites Reservoir Project water supply to transfer water that the entity may not need from time to time on terms and conditions acceptable to the such Project Agreement Member.

## **Section 7      Indemnity and Contribution**

(a) Each Project Agreement Member, including Authority Members acting in their capacity as Project Agreement Members, shall indemnify, defend and hold the Authority, Authority Members and other Project Agreement Members and their directors, trustees, officers, employees, and agents harmless from and against any liability, cause of action or damage (including, without limitation, reasonable attorneys' fees) arising out of the performance of this Project Agreement multiplied by each Project Agreement Member's Participation Percentage. Notwithstanding the foregoing, to the extent any such liability is caused by the negligent or intentional act or omission of an Authority Member or a Project Agreement Member, such Authority Member or Project Agreement Member shall bear such liability.

(b) Each Project Agreement Member, including Authority Members acting in their capacity as Project Agreement Members, shall indemnify, defend and hold the Authority and the members of the Authority that do not execute this Project Agreement and their directors, trustees, officers, employees and agents harmless from and against any liabilities, costs or expenses of any kind (including, without limitation, reasonable attorney's fees) arising as a result of the activities described in or undertaken pursuant to this Project Agreement multiplied by each Project Agreement Member's Participation Percentage. All assets, rights, benefits, debts, liabilities and obligations attributable to activities undertaken under this Project Agreement shall be assets, rights, benefits, debts, liabilities and obligations solely of the Project Agreement Members in accordance with the terms hereof, and shall not be the assets, rights, benefits, debts, liabilities and obligations of the Authority or of those members of the Authority that have not executed this Project Agreement. Members of the Authority not electing to participate in the Project Agreement shall have no rights, benefits, debts, liabilities or obligations attributable to the Project Agreement.

## **Section 8      Term**

(a) No provision of this Project Agreement shall take effect until this Project Agreement has been duly executed and delivered by the Authority and by one Project Agreement Member.

(b) The term of this Project Agreement shall continue until December 31, 2019, unless extended in writing by the parties hereto.

## **Section 9      Withdrawal From Further Participation**

To withdraw from this Project Agreement, a Project Agreement Member shall give the Authority and other Project Agreement Members written notice of such withdrawal not less than 30 days prior to the withdrawal date. As of the withdrawal date, all rights of participation in this Project Agreement shall cease for the withdrawing Project Agreement Member. The financial obligation as prescribed in the Bylaws' Section 5.11 in effect on the withdrawal date, shall consist of the

withdrawing Member's share of the following costs: (a) payment of its share of all non-contract costs incurred prior to the date of the written notice of withdrawal, and (b) those contract costs associated with funds approved in either contract amendments or task orders that were approved prior to the date of the written notice of withdrawal for which the contractor's work extends beyond the withdrawal date. However, a withdrawing member shall have no liability for any change order or extensions of any contractor's work that the remaining Project Agreement Members agree to after the withdrawing Member provides written notice of withdrawal. Withdrawal from this Project Agreement shall not be considered a Material Change Item and shall not be subject to the Dispute Resolution process provided for in Section 13.3 of the Bylaws.

#### **Section 10     Admission of New Project Agreement Members**

Additional Members of the Authority and Non-Member Participating Parties may become Project Agreement Members upon (a) confirmation of compliance with the membership requirements established in the Bylaws, (b) the affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g) of the then-current Project Agreement Members, (c) the affirmative vote of at least 75% of the total number of Directors of the Authority, and (d) upon such conditions as are fixed by such Project Agreement Members.

#### **Section 11     Amendments**

This Project Agreement may be amended only by a writing executed by the Authority and at least 75% of the total weighted vote as provided in Subsection 3(g) of the then-current Committee members.

#### **Section 12     Assignment; Binding on Successors**

Except as otherwise provided in this Project Agreement, the rights and duties of the Project Agreement Members may not be assigned or delegated without the written consent of the other Project Agreement Members and the Authority, which consent shall not be unreasonably withheld. Any attempt to assign or delegate such rights or duties in contravention of this Project Agreement shall be null and void. Project Agreement Members may assign and delegate their rights and duties under this Project Agreement to other Project Agreement Members, and they may assign, sell, trade, or exchange all or a fraction of the potential benefits (e.g. acre-feet of water supply, megawatt-hours of power) they expect to receive through their participation in this Project Agreement. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Project Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Project Agreement Members.

**Section 13     Counterparts**

This Project Agreement may be executed by the Authority and each Project Agreement Member in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Facsimile and electronic signatures shall be binding for all purposes.

**Section 14     Merger of Prior Agreements**

This Project Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understanding between the parties relating to the subject matter hereof. This Project Agreement is intended to implement, and should be interpreted consistent with, the Joint Powers Agreement.

**Section 15     Severability**

If one or more clauses, sentences, paragraphs or provisions of this Project Agreement shall be held to be unlawful, invalid or unenforceable, the remainder of the Project Agreement shall not be affected thereby.

**Section 16     Choice of Law**

This Project Agreement shall be governed by the laws of the State of California.

**Section 17     Notices**

Notices authorized or required to be given under this Project Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours, to the addresses set forth **Exhibit E (“Notifications”)**, or to such other address as a Project Agreement Member may provide to the Authority and other Project Agreement Members from time to time.

IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: \_\_\_\_\_

SITES PROJECT AUTHORITY

By: \_\_\_\_\_

Name:

Title:

[PROJECT AGREEMENT MEMBER]

Dated: \_\_\_\_\_

\_\_\_\_\_

(Authority & Project Agreement Member)

By: \_\_\_\_\_

Name:

Title:

# EXHIBIT A

## PROJECT AGREEMENT MEMBERS

| Participant                                    | Participation<br>(Annualized Acre-Foot) |               |
|------------------------------------------------|-----------------------------------------|---------------|
|                                                | Preliminary                             | Percent       |
| American Canyon, City of                       | ~4,000                                  | 1.7%          |
| Antelope Valley-East Kern Water Agency         | ~500                                    | 0.2%          |
| Carter Mutual Water Company ‡                  | ~500                                    | 0.2%          |
| Coachella Valley Water District                | ~10,000                                 | 4.3%          |
| Colusa County                                  | ~10,000                                 | 4.3%          |
| Colusa County Water District                   | ~13,100                                 | 5.6%          |
| Desert Water Agency                            | ~6,500                                  | 2.8%          |
| Glenn-Colusa Irrigation District               | ~5,000                                  | 2.1%          |
| Metropolitan Water District of S. CA           | ~50,000                                 | 21.4%         |
| Pacific Resources Mutual Water Company ‡       | ~20,000                                 | 8.5%          |
| Reclamation District 108                       | ~5,000                                  | 2.1%          |
| San Bernardino Valley Municipal Water District | ~21,400                                 | 9.1%          |
| San Geronio Pass Water Agency                  | ~14,000                                 | 6.0%          |
| Santa Clara Valley Water District              | 24,000                                  | 10.3%         |
| Santa Clarita Valley Water Agency              | ~5,000                                  | 2.1%          |
| TC-4: Cortina Water District                   | ~300                                    | 0.1%          |
| TC-4: Davis Water District                     | ~2,000                                  | 0.9%          |
| TC-4: Dunnigan Water District                  | ~2,774                                  | 1.2%          |
| TC-4: LaGrande Water District                  | ~1,000                                  | 0.4%          |
| Westside Water District                        | ~15,000                                 | 6.4%          |
| Wheeler Ridge-Maricopa Water Storage District  | 14,000                                  | 6.0%          |
| Zone 7 Water Agency                            | ~10,000                                 | 4.3%          |
| Potential new participants                     | TBD                                     | %             |
| <b>Total:</b>                                  | <b>234,074</b>                          | <b>100.0%</b> |

Participation Percentages exclude State of California and United States Bureau of Reclamation share of the Project.

NOTE: Any annualized amounts listed for Phase 2 are preliminary and are based on best estimates received after participants' respective review of the draft financing plan and draft Phase 2 Reservoir Project Agreement. These amounts do not represent the results of any action having been taken by the participants' respective governing body to formally execute the Phase 2 Reservoir Project Agreements. Final participation amounts will be established after interim financing terms and conditions have been provided and incorporated into the final Phase 2 Reservoir Project Agreement.

‡ Denotes a non-public agency. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.

# EXHIBIT B

## 2019 WORK PLAN

2018 November 16 Reservoir Committee Meeting - Attachment A - Agenda Item 3-3

|                |                  |
|----------------|------------------|
| Category       | (Multiple Items) |
| Action         | (Multiple Items) |
| Funding Source | (Multiple Items) |
| Work Manager   | (All)            |
| Priority       | (All)            |

Report: **Reservoir Committee 2019 Work Plan & Budget**  
Report Date: 2018 Nov 12

| Expense (-) or<br>Revenue (+) | Cost Center                | Task            | Resource | Reprioritize                   | Proposed Budget                       |
|-------------------------------|----------------------------|-----------------|----------|--------------------------------|---------------------------------------|
|                               |                            |                 |          | Currently Approved<br>Budget   | Authority= 12 mon<br>Res. Comm= 9 mon |
|                               |                            |                 |          | Sum of Total End of<br>Phase 1 | Sum of Total 2019                     |
| Expense                       | C.R. Policy                |                 |          | \$ -                           | \$ (2,067,094)                        |
|                               | Engagement                 |                 |          | \$ -                           | \$ (135,000)                          |
|                               | Operations                 | Contingency     |          | \$ -                           | \$ -                                  |
|                               |                            | Env Interests   |          | \$ (44,936)                    | \$ (120,552)                          |
|                               |                            | Exchange        |          | \$ -                           | \$ (75,550)                           |
|                               |                            | Modeling        |          | \$ (325,000)                   | \$ (998,480)                          |
|                               |                            | Op POA          |          | \$ (59,488)                    | \$ (61,040)                           |
|                               |                            | Staff+          |          | \$ (69,705)                    | \$ (417,555)                          |
|                               |                            | Storage         |          | \$ (17,824)                    | \$ (136,300)                          |
|                               |                            | Water Rights    |          | \$ (29,712)                    | \$ (204,264)                          |
|                               |                            | Water Rights+   |          | \$ (29,712)                    | \$ (119,892)                          |
|                               | <b>Operations Total</b>    |                 |          | <b>\$ (576,377)</b>            | <b>\$ (2,133,633)</b>                 |
|                               | Power                      | Grid Interconn+ |          | \$ -                           | \$ (1,097,880)                        |
|                               |                            | H2oPower+       |          | \$ -                           | \$ (668,453)                          |
|                               |                            | Staff Aug+      |          | \$ -                           | \$ (632,880)                          |
|                               |                            | Staff+          |          | \$ -                           | \$ -                                  |
|                               | <b>Power Total</b>         |                 |          | <b>\$ -</b>                    | <b>\$ (2,399,213)</b>                 |
|                               | Res. Comm. O               | Advisory        |          | \$ (43,200)                    | \$ (82,565)                           |
|                               |                            | Office          |          | \$ -                           | \$ (133,100)                          |
|                               |                            | Participation   |          | \$ (109,800)                   | \$ (210,600)                          |
|                               |                            | PROCURE         |          | \$ -                           | \$ (80,240)                           |
|                               |                            | PROCURE-2       |          | \$ -                           | \$ -                                  |
|                               |                            | Rebalance       |          | \$ (8,400)                     | \$ (134,070)                          |
|                               |                            | Staff           |          | \$ (6,000)                     | \$ (1,739,573)                        |
|                               |                            | Staff Aug       |          | \$ -                           | \$ (4,237,495)                        |
|                               |                            | Staff Aug+      |          | \$ -                           | \$ (225,990)                          |
|                               |                            | Staff+          |          | \$ -                           | \$ -                                  |
|                               |                            | Support         |          | \$ (26,925)                    | \$ (107,678)                          |
|                               |                            | Technology      |          | \$ (3,330)                     | \$ (13,280)                           |
|                               |                            | USDA-1          |          | \$ (10,000)                    | \$ (10,800)                           |
|                               |                            | WSIP-1          |          | \$ (51,440)                    | \$ (81,960)                           |
|                               | <b>Res. Comm. OH Total</b> |                 |          | <b>\$ (259,095)</b>            | <b>\$ (7,057,351)</b>                 |
|                               | Water                      | Dam Design      |          | \$ -                           | \$ (8,776,500)                        |
|                               |                            | Economics+      |          | \$ -                           | \$ (329,880)                          |
|                               |                            | EIR-EIS         |          | \$ (165,000)                   | \$ (2,371,767)                        |
|                               |                            | Field Studies   |          | \$ (200,000)                   | \$ (887,876)                          |
|                               |                            | Field Surveys   |          | \$ -                           | \$ (91,980)                           |
|                               |                            | Permit Coord    |          | \$ (590,000)                   | \$ (8,095,900)                        |
|                               |                            | Rights of Entry |          | \$ (306,000)                   | \$ (600,119)                          |
|                               | <b>Water Total</b>         |                 |          | <b>\$ (1,261,000)</b>          | <b>\$ (21,154,022)</b>                |
| <b>Expense Total</b>          |                            |                 |          | <b>\$ (2,096,472)</b>          | <b>\$ (34,946,312)</b>                |

Summary - Page 1 of 2

NOTE: 2019 proposed budget, which is applicable to this Agreement, was approved by the Reservoir Committee at their November 16, 2018 meeting with the Reservoir Committee's share of expenses listed on page B-2.

|                               |             |      |          | Reprioritize<br>Currently Approved<br>Budget | Proposed Budget<br>Authority= 12 mon<br>Res. Comm= 9 mon |
|-------------------------------|-------------|------|----------|----------------------------------------------|----------------------------------------------------------|
| Expense (-) or<br>Revenue (+) | Cost Center | Task | Resource | Sum of Total End of<br>Phase 1               | Sum of Total 2019                                        |
| Revenue                       | Conversion  |      |          | \$ -                                         | \$ 2,067,094                                             |
|                               | WIIN        |      |          | \$ -                                         | \$ 8,776,500                                             |
|                               | WSIP        |      |          | \$ 821,603                                   | \$ 10,077,760                                            |
|                               | Res. Comm.  |      |          | \$ -                                         | \$ 14,044,440                                            |
| <b>Revenue Total</b>          |             |      |          | <b>\$ 821,603</b>                            | <b>\$ 34,965,795</b>                                     |
| <b>Grand Total</b>            |             |      |          | <b>\$ (1,274,870)</b>                        | <b>\$ 19,482</b>                                         |

## EXHIBIT C

### NOTIFICATIONS

Attention: Mr. Steve Hartwig  
City of American Canyon  
4381 Broadway, Suite 201  
American Canyon, CA 94503

Attention: Mr. Dwayne Chisam  
Antelope Valley-East Kern WA  
6500 West Avenue N  
Palmdale, CA 93551

Attention: Mr. Ben Carter  
Carter MWC  
4245 River Road  
Colusa, CA 95932

Attention: Mr. Jim Barrett  
Coachella Valley Water District  
P.O. Box 1058  
Coachella, CA 92236

Attention: Ms. Wendy Tyler  
Colusa County  
547 Market St., Suite 102  
Colusa, CA 95932

Attention: Ms. Shelley Murphy  
Colusa County Water District  
P.O. Box 337  
Arbuckle, CA 95912

Attention: Mr. Jim Peterson  
Cortina Water District  
P.O. Box 489,  
Williams, CA 95987

Attention: Mr. Tom Charter  
c/o Ms Jamie Traynham  
Davis Water District  
P.O. Box 83  
Arbuckle, CA 95912

Attention: Mr. Mark Krause  
Desert Water Agency  
1200 South Gene Autry Trail  
Palm Springs, CA 92264

Attention: Mr. Bill Vanderwaal  
Dunnigan Water District  
P.O. Box 84  
Dunnigan, CA 95937

Attention: Mr. Thad Bettner  
Glenn-Colusa Irrigation District  
P.O. Box 150  
Willows, CA 95988

Attention: Mr. Matt LaGrande  
LaGrande Water District  
P.O. Box 370  
Williams, CA 9598

Attention: Mr. Steve Arakawa  
Metropolitan Water District of Southern  
California  
1121 L Street, Suite 900  
Sacramento, CA 95814

Attention: Mr. Preston Brittain  
Pacific Resources MWC  
4831 Calloway Drive, Ste. 102  
Bakersfield, CA 93312  
Bakersfield, CA 93312

Attention: Mr. Bill Vanderwaal  
Reclamation District 108  
P.O. Box 50  
Grimes, CA 95950

Attention: Mr. Dirk Marks  
Santa Clarita Valley Water Agency  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350

Attention: Mr. Doug Headrick  
San Bernardino Valley Municipal Water District  
380 East Vanderbilt Way  
San Bernardino, CA 92408-3593

Attention: Dan Ruiz  
Westside Water District  
5005 State Hwy 20  
Williams, CA 95987

Attention: Mr. Jeff Davis  
San Geronio Pass Water Agency  
1210 Beaumont Ave,  
Beaumont, CA 92223

Attention: Robert Kunde  
Wheeler Ridge-Maricopa Water Storage District  
12109 Highway 166  
Bakersfield, CA 93313

Attention: Ms. Cindy Kao  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, CA 95118-3686  
Attention: Mr. Dirk Marks

Attention: Ms. Valerie Pryor  
Zone 7 Water Agency  
100 North Canyons Parkway  
Livermore, CA 945

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