

March 4, 2022

MEETING NOTICE

WATER STORAGE EXPLORATORY COMMITTEE

Board Members of the Water Storage Exploratory Committee

Director Gary Kremen, Committee Chair

Director Richard P. Santos

Director John L. Varela

Staff Support of the Water Storage Exploratory Committee

Rick Callender, Esq., Chief Executive Officer

Melanie Richardson, Assistant Chief Executive Officer

Aaron Baker, Chief Operating Officer, Water Utility

Rachael Gibson, Chief of External Affairs

J. Carlos Orellana, District Counsel

Brian Hopper, Senior Assistant District Counsel

Vincent Gin, Deputy Operating Officer, Water Supply Division

Christopher Hakes, Deputy Operating Officer, Dam Safety & Capital Delivery Division

Heath McMahon, Deputy Operating Officer, Water Utility Capital Division

Don Rocha, Deputy Administrative Officer, Office of Government Relations

Gregory Williams, Interim Deputy Operating Officer, Raw Water Division

Emmanuel Aryee, Assistant Officer, Dam Safety & Capital Delivery Division

Kirsten Struve, Assistant Officer, Water Supply Division

Erin Baker, Asset Management Manager

Cindy Kao, Imported Water Manager, Imported Water Unit

Ryan McCarter, Pacheco Project Manager, Pacheco Project Delivery Unit

Metra Richert, Unit Manager, Water Supply Planning & Conservation Unit

Charlene Sun, Treasury and Debt Manager

Andrew Garcia, Senior Water Resources Specialist, Imported Water Unit

Samantha Greene, Senior Water Resources Specialist, Water Supply Planning & Conservation Unit

A regular meeting of the Santa Clara Valley Water District (SCVWD) Water Storage Exploratory Committee is to be held on **Monday, March 7, 2022, at 2:00 p.m.** [Join Zoom Meeting https://valleywater.zoom.us/j/98246045660](https://valleywater.zoom.us/j/98246045660).

The meeting agenda and corresponding materials can be found on our website for your convenience. <https://www.valleywater.org/how-we-operate/committees/board-committees>

WATER STORAGE EXPLORATORY COMMITTEE MEETING

Join Zoom Meeting

<https://valleywater.zoom.us/j/98246045660>

Meeting ID: 982 4604 5660

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Santa Clara Valley Water District Water Storage Exploratory Committee Meeting

Teleconference
Join Zoom Meeting:
<https://valleywater.zoom.us/j/98246045660>

REGULAR MEETING AMENDED AGENDA

Monday, March 7, 2022
2:00 PM

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

WATER STORAGE EXPLORATORY COMMITTEE

Gary Kremen, Committee Chair,
District 7
Richard P. Santos, District 3
John L. Varela, District 1

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Mr. Vincent Gin
Mr. Christopher Hakes
(Staff Liaisons)

Glenna Brambill (Committee
Liaison)
Management Analyst II
(408) 630-2408,
gbrambill@valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Water Storage Exploratory Committee
REGULAR MEETING
AMENDED AGENDA

Monday, March 7, 2022

2:00 PM

Teleconference

BY VIRTUAL TELECONFERENCE ONLY

Pursuant to California Government Code section 54953(e), this meeting will be held by teleconference only. No physical location will be available for this meeting; however, members of the public will be able to participate in the meeting as noted below.

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the "Raise Hand" tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/98246045660>

Meeting ID: 982 4604 5660
One tap mobile
+16699009128,,98246045660# US (San Jose)

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to two minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[22-0326](#)

Recommendation: Approve the January 27, 2022, Meeting Minutes.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 01272022 WSEC Draft Mins](#)

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

- 4.1. Sites Reservoir Project: Third Amendment to 2019 Reservoir Project Agreement for Continued Participation. [22-0327](#)
- Recommendation: A. Receive and Discuss Update on the Sites Reservoir Project,
B. Recommend to Board to authorize the Chief Executive Officer to execute the *Third Amendment to 2019 Reservoir Project Agreement* for a participation level of 0.2 percent of the total project and a funding commitment of \$200,000 covering calendar years 2022 through 2024 and appoint the Valley Water Project Agreement Member Primary and Alternative Representatives.
- Manager: Vincent Gin, 408-630-2633
- Attachments: [Attachment 1: 3rd Amdment 2019 Proj Res Agmt](#)
[Attachment 2: Agmt No A4232Sb Rec. C Site Project Authority](#)
[Attachment 3: Participant Table](#)
[Attachment 4: Amendment-3-Work-Plan](#)
[Attachment 5: Accomplishments under 2nd Amendment](#)
[Attachment 6: PowerPoint Presentation](#)
- Est. Staff Time: 20 Minutes
- 4.2. Standing Items. [22-0328](#)
- Recommendation: A. This agenda item allows the Committee to receive verbal or written updates and discuss the projects noted in the agenda memo summary. These items are generally informational; however, the Committee may request additional information from staff:
B. This is informational only and no action is required.
- Manager: Candice Kwok-Smith, 408-630-3193
- Est. Staff Time: 15 Minutes
- 4.3. Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda. [22-0329](#)
- Recommendation: Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.
- Manager: Candice Kwok-Smith, 408-630-3193
- Attachments: [Attachment 1: 2022 WSEC Work Plan](#)
- Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

***6. CLOSED SESSION:**

CONFERENCE WITH LEGAL COUNSEL

Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8

Setting Negotiation Parameters for Price and Terms of Payment for Purchase, Sale, or Exchange of Property Interest in APNs: 865-10-004, 865-10-010, 865-10-019, 865-11-007, 865-11-008, 865-11-019, 865-11-020, 865-11-021, 865-11-024, 865-11-029, 865-15-005, 865-15-006, 865-11-023, 865-11-022, 865-11-031, 865-11-030, 865-11-026, 865-11-027, 865-10-019, 865-11-025, 865-11-028, and 865-16-002.

Agency Negotiators: Rick Callender, Melanie Richardson, Aaron Baker, Chris Hakes, and Bill Magleby

Negotiating Parties: Pacheco Land & Cattle Co., LLC

***6.1. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL INITIATION OF LITIGATION Pursuant to Government Code Section 54956.9(d)(4) (One potential case)**

***6.2. REJOIN MEETING:**

District Counsel Report on Closed Session

7. ADJOURN:

7.1. Adjourn.



Santa Clara Valley Water District

File No.: 22-0326

Agenda Date: 3/7/2022
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the January 27, 2022, Meeting Minutes.

SUMMARY:

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ATTACHMENTS:

Attachment 1: 01272022 WSEC Draft Mins

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER)
WATER STORAGE EXPLORATORY COMMITTEE

DRAFT MINUTES

THURSDAY, JANUARY 27, 2022

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Water Storage Exploratory Committee (Committee) was held on January 27, 2022, via Zoom.

1. CALL TO ORDER

The Water Storage Exploratory Committee was called to order by Committee Chair Director Gary Kremen at 9:00 a.m.

1.1 ROLL CALL

Valley Water Board Members in attendance were: Committee Chair, Director Gary Kremen (District 7), Director Richard P. Santos (District 3), and Director John L. Varela (District 1).

Valley Water Staff in attendance were: Emmanuel Aryee, Aaron Baker, Neeta Bijoor, Glenna Brambill, Andrew Garcia, Vincent Gin, Alexander Gordon, Samantha Greene, Andy Gschwind, Christopher Hakes, Brian Hopper, Dana Jacobson, Cindy Kao, Candice Kwok-Smith, Michael Martin, Ryan McCarter, Heath McMahon, Carlos Orellana, Steve Peters, Melanie Richardson, Metra Richert, Don Rocha, Jamie Silva, Kirsten Struve, Charlene Sun, Jing Wu, and Beckie Zisser.

Guests in attendance were: James Crowder (Soluri Meserve) Thomas Francis and Danielle McPherson (BAWSCA), David Cramer (Walsh), Hon. Steve Jordan (BAWSCA and Purissima Hills Water District), Marguerite Patil (Contra Costa Water District {CCWD}), Gavin Tasker-Barnard Construction), Bill Tuttle (San Jose Water Company-SJWC), Hon. John Weed (Alameda County Water District {ACWD}).and Eric Zagol (Mott Macdonald).

Public in attendance were: Director Barbara Keegan (Valley Water Board Member, District 2), Arthur Keller, Ph.D., Doug Muirhead, Manny, and Rob.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA

There was no one present who wished to speak.

3. APPROVAL OF MINUTES

3.1 APPROVAL OF MINUTES

It was moved by Director Richard P. Santos, second by Director John L. Varela, and by roll call and unanimous vote carried to approve the minutes of the October 29, 2021, meeting of the Water Storage Exploratory Committee as presented.

4. ACTION ITEMS

4.1 LOS VAQUEROS RESERVOIR EXPANSION PROJECT UPDATE

Mr. Michael Martin reviewed the materials as outlined in the agenda item.

The Water Storage Exploratory Committee discussed the following: conveyance vs storage, rate's impact, next report to contain the rates/dollars, and any staff recommendations.

Mr. Vincent Gin was available to answer questions.

The Water Storage Exploratory Committee took no action.

4.2 STANDING ITEMS

The Committee received verbal reports on the following projects:

GROUNDWATER BANK UPDATE: reported on by Ms. Cindy Kao

McMullin GSA Groundwater Bank:

- McMullin is continuing to develop a joint EIR/EIS and updating a Feasibility Study (expanding and revising it as part of the USBR approval process for CVP Banks) environmental review work and early design of the project facilities
- McMullin is working on developing a funding and participation agreement.
- VW staff is working to secure additional information about project costs, milestones, and timeline.
- DWR's comments on the McMullin GSP which, if not already released, will be released on January 28th. Imported Water Unit staff will be reviewing

AVEK Groundwater Bank:

- We've worked with them to develop a draft Pilot Banking Agreement - to test the feasibility of the bank for us and understand any administrative challenges that may arise.
- The intent is to allow us to put down a small amount of water (flexibility for up to 15,000 AF)
 - The intent is to effectively test the ability to return the water and secure the necessary agreements with DWR.
 - And to test the ability of AVEK will store "banked" water in San Luis Reservoir on behalf of Valley Water for direct recovery

Mr. Vincent Gin and Mr. Andrew Garcia were available to answer questions.

The Committee would like to have the tours placed on the calendar when feasibly safe to go.

PACHECO RESERVOIR EXPANSION PROJECT UPDATE: reported on by
Mr. Ryan McCarter

- Draft EIR is out for public comments until February 15, 2022, then staff will compile comments for final EIR
- 2nd Phase field investigation gather additional data for the power transmission line and access at dam site, working with Division of Safety of Dams (DSOD) for work-plan get buy-in on the Phase 2 geotechnical investigation
- Correspondence with the DSOD on the dam type, had question on the heart fill may be long road to get approved and permitted so considering switching to the earth fill site upstream site, looking at alternative analysis and will go over this information at the February 16, 2022, meeting

Committee Questions:

- ✚ Cost implications on change-downstream earth fill dam = \$2.5 billion price tag used in CIP, staff recommended alternative upstream heart fill upstream = \$2.1 billion price range. Upstream earth fill is coming in at \$2.3 billion
 - ✚ Continued communications with indigenous tribes-working with the tribal representatives and there is an assigned monitor during the site visits.
 - WIFIA application working on submitting April 2022
 - Potential partnership opportunities and discussions are ongoing, the consultant team is on board
 - Pacheco Pass Water District (PPWD) meeting held January 25, 2022, Board Members: Ryan Bergamini. Mark Tobias, and other members are: Shawn Bourdet, Garrett Hertel and Mark Rossi.
 - PPWD planning on moving forward with the spillway repair
- Committee Question:
- ✚ is there a pending lawsuit/mandate, no there was a DSOD restriction letter, PPWD had a funding issue with managing the repair project

Note: after the 1/27/2022, meeting we received updated information on the Pacheco Pass Water District Board of Directors being:
Garrett Haertel. Board President, Mark Tobias. Board Vice President and other Board Members are, Ryan Bergamini, Shawn Bourdet, and Scott Rossi.

SITES: reported on by Ms. Cindy Kao

- In December, the California Water Commission voted in favor of the feasibility of the Sites project, which keeps the project eligible for \$800M in WSIP funding
- The project is up for the next phase of funding and we are being asked to consider executing an amendment to the existing agreement that would cover funding for the next 3 years.
 - Staff is analyzing the current status of the project - (benefits, costs, and financial information)

Attachment 1
Page 3 of 5

- Current Participants are being asked to seek approval to continue funding by the end of March
- We are hoping to bring our recommendation to the next meeting of this committee before going to the full board in March.

B.F. SISK DAM RAISE PROJECT: reported on by Ms. Cindy Kao

- Valley Water Staff is coordinating with the San Luis & Delta-Mendota Water Authority (SLDMWA) on developing the project description and cost sharing consideration. We have been told that a cost share agreement is expected to be developed this spring. The SLDMWA voted to hire a project manager to move the project forward more efficiently.
- Staff thanked and gave credit to Valley Water partner, Mr. Jeff Cattaneo, District Manager-District Engineer of San Benito County Water District for his idea and key driver for the hiring of the project manager.

SEMITROPIC: reported on by Ms. Cindy Kao

- Through December, VW recovered approximately 35,959 acre-feet from Semitropic
- VW currently has roughly 297,208 AF in storage (~85% full)
- Imported Water Unit staff will be reviewing DWR's comments on the Semitropic and Kern Subbasin GSPs which, if not already released, will be released on January 28th.

The Water Storage Exploratory Committee took no action.

4.3 REVIEW WATER STORAGE EXPLORATORY COMMITTEE WORK PLAN AND THE COMMITTEE'S NEXT MEETING AGENDA

Ms. Glenna Brambill reviewed the agenda materials as outlined in the agenda item.

The next meeting agenda items are:

- Cardiz, Inc, Water Project presentation
- Agricultural needs (water storage/water supply) discussion, partnership with farmers
- Sites Project

The Committee Chair will work with the Clerk of the Board Unit in scheduling the next meeting.

The Water Storage Exploratory Committee took no action.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

Ms. Glenna Brambill noted there were no action items for Board consideration.

6. CLOSED SESSION

6.4 DISTRICT COUNSEL REPORT ON CLOSED SESSION

Mr. Brian Hopper noted there was no reportable action.

7. ADJOURNMENT

Committee Chair Director Gary Kremen adjourned the meeting at 10:31 a.m.

Glenna Brambill
Board Committee Liaison
Office of the Clerk of the Board

Approved:



Santa Clara Valley Water District

File No.: 22-0327

Agenda Date: 3/7/2022

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Sites Reservoir Project: Third Amendment to 2019 Reservoir Project Agreement for Continued Participation.

RECOMMENDATION:

- A. Receive and Discuss Update on the Sites Reservoir Project,
- B. Recommend to Board to authorize the Chief Executive Officer to execute the *Third Amendment to 2019 Reservoir Project Agreement* for a participation level of 0.2 percent of the total project and a funding commitment of \$200,000 covering calendar years 2022 through 2024 and appoint the Valley Water Project Agreement Member Primary and Alternative Representatives.

SUMMARY:

The Sites Reservoir Project (Project) is a proposed 1.5 million acre-foot, off-stream reservoir that would be located north-of-Delta (NOD), approximately 10 miles west of the town of Maxwell in Colusa County. The Sites Project has been identified in Valley Water's Water Supply Master Plan (WSMP) as a potential alternative to help ensure reliability of its Delta-conveyed supplies. Current members of the Sites Project Authority and Reservoir Project Committee (Participants), which together oversee the development of and fund the project, include Central Valley Project (CVP) water agencies north of the Delta, as well as State Water Project (SWP) water agencies south of the Delta. There is strong support from the Department of Water Resources (DWR), and the Bureau of Reclamation (Reclamation), Zone 7 Water Agency, Glenn Colusa Irrigation District, and Metropolitan Water District of Southern California, among others.

Reclamation's current participation level is 7%, but it has indicated a desire to increase this to 25%. In addition, five new agencies have requested to participate if space becomes available. The Project has secured a maximum conditional eligibility of \$836 million in funding through the state's Prop 1 Water Storage Investment Program (WSIP) as well as \$104.1 million in Water Infrastructure Improvements for the Nation (WIIN) Act appropriations. The current construction cost estimate at a 10% design level is \$3.9 billion. The Sites Project Authority (Sites JPA), a joint powers authority that intends to own and operate the project, has developed a third amendment to the participation agreement for continued participation in the project (Third Amendment, Attachment 1).

Staff recommends executing the Third Amendment to continue participation at 0.2%, at a cost of \$200,000 over three years (2022 through 2024). In November of 2020, the Santa Clara Valley Water District's (Valley Water) Board authorized the CEO to execute the second amendment to the 2019

Reservoir Project Agreement for continued participation in in the Project (Attachment 2). With this action, Valley Water continued its seat on the Sites Reservoir Project Committee (Reservoir Committee), which funds and oversees development of the project. The second amendment expired on December 31, 2021. Attachment 3 lists the existing participants and their participation levels as well as five new potential participants.

Third Amendment to 2019 Project Agreement

The Third Amendment would obligate Valley Water to pay for a portion of continued Phase 2 work activities from January 1, 2022, through December 31, 2024; and provide Valley Water with a continuing seat on the Reservoir Committee. The funding obligation would be proportional to participation level. The work plan for the Third Amendment is included as Attachment 4. The total expense budget for the covered time period is \$119.6 million with revenue estimated at roughly \$143 million, of which about \$67 million is to be funded by the Reservoir Committee members.

The Project is currently fully subscribed by the current Participants, and it is likely that full subscription will continue after execution of the Third Amendment. If some Participants opt out of the Project prior to Project financing in 2024, Valley Water may have an opportunity to consider a greater participation level.

Work Completed under Second Amendment

Key tasks completed under the Second Amendment allowed for refinements to the Project costs and benefits which include:

- Updated cost estimate of \$3.9 billion (2021 Dollars) based on a 10% level of design.
- Projected total Project yield reduced from 243 TAF to 234 TAF. Valley Water's average yield remains at 300-400 AF, while dry and critical year yields increased from 400-500 AF to 700-800 AF (assumed 0.2% participation), largely due to operational modeling assumptions and fishery agencies negotiations.

A summary of the major Project accomplishments completed during the Second Amendment timeframe (June 2020-December 2021) is provided in Attachment 5.

Project Benefits and Costs

Staff anticipates the Project could provide the following benefits to Valley Water:

- Increase in water supply, including significant amounts in dry years,
- Storage rights in Sites reservoir proportional to the Valley Water's targeted participation level,
- Priority access to use storage capacity of other Project Participants,
- Improvement in Shasta Reservoir storage levels and cold-water pool that may provide fishery benefits and help stabilize CVP water supply allocations,
- Potential transfer supplies through partnerships with other Project Participants (available to both Participants and non-Participants).

The extent to which these benefits can be realized depends on how the project risks, challenges, and mitigation measures are addressed throughout project development. Key risks to the Project which may affect Valley Water include:

- Limitations to our ability to transport water through the Delta and/or the South Bay Aqueduct under certain conditions,
- Potential reductions to the projected yield and storage capacity of the Project as negotiations with regulatory agencies progress,
- Potential cost increases in the future due to construction cost uncertainties.

These risks could be reduced by also investing in conveyance improvement projects such as the Delta Conveyance Facility or the Transfer-Bethany Pipeline (part of the Los Vaqueros Expansion Project).

Recommended Participation Level

Staff recommends maintaining the current participation level of 0.2%, providing roughly 3,000 AF of storage and approximately 500 AF per year of new water supplies at an estimated cost of \$8M for construction (in 2021 dollars). Continued participation allows Valley Water access to a potentially greater share of the project should other members opt out, freeing their share of the project.

Maintaining Valley Water's current participation in the project is recommended for the following reasons:

- Continued participation retains the option to increase storage share should other investments in Valley Water's WSMP not materialize;
- Staff's analysis of the long-term impacts from climate change have not yet been completed and could potentially show a need for benefits provided by the Project.
- Continued participation allows Valley Water to track and comment on the project, given that there are potentially significant indirect benefits, even without Valley Water's direct participation. Potential indirect benefits include improved Shasta Reservoir storage levels for the CVP; and ability for non-participants to purchase Sites Project water in dry years.

Continuing at the existing participation level would not impact Valley Water's water rates in the near term (FY23-FY25). Long-term rate impacts of continuing into construction at the existing participation level are shown in Table 1.

Table 1: Anticipated Rate Impacts in Fiscal Year 2032

	Sites Project
	0.2% Participation into Construction
Capital Cost (in constant 2021 dollars)	\$8M
Rate Impact (\$/AF) ¹	\$33

Average Increase per Household (\$/month) ²	\$1.12
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¹ North County Zone W-2 Rate Impact (FY32),

² Average Monthly Increase per Household - North County Zone W-2 (FY32)

Past Sites Project Funding

Through March 2021, Valley Water has spent approximately \$1.9 million towards Sites Project cost-sharing for the Prop 1 WSIP application and project development. Other sources of Project funding that have been secured to date are showed in Table 2. The Sites JPA and Project partners are continuing efforts to procure additional funding beyond 2022 including securing the final funding agreement with the California Water Commission and executing operating agreements with state, federal, and local partners.

Table 2. Sources of Project Funding

Funding Source	Amount
Prop 1 WSIP award	Up to \$836M, including \$40.8M in early funding.
WIIN Act (Currently awarded to Reclamation)	\$104.1M
WIIN Act (potential future cost share)	Project qualifies for up to 25% cost share following Federal Feasibility Determination
U.S. Department of Agriculture	Approved \$449M loan for Sites Project's Maxwell water intertie conveyance facilities

The Sites JPA has adopted a credit reimbursement policy that may allow for partial or full reimbursement of Valley Water's past payments if Valley Water reduces or withdraws participation in the Project prior to Phase 3.

ATTACHMENTS:

Attachment 1: Third Amendment to the Project Agreement

Attachment 2: 2019 Reservoir Project Agreement, First Amendment, and Second Amendment

Attachment 3: Sites Project Participation Summary

Attachment 4: Amendment 3 Work Plan

Attachment 5: Project Accomplishments under the Second Amendment

Attachment 6: PowerPoint

UNCLASSIFIED MANAGER:

Vincent Gin, 408-630-2633

THIRD AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of January 1, 2022

THIS THIRD AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Third Amendment”), dated as of January 1, 2022, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the project agreement members listed in the Agreement referenced below (the “Project Agreement Members”) amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the “Original Agreement”), as previously amended by the First Amendment to 2019 Reservoir Project Agreement dated as of January 1, 2020 (the “First Amendment”) and by the Second Amendment to 2019 Reservoir Project Agreement dated as of July 1, 2020 (the “Second Amendment” and, together with the Original Agreement, the First Amendment and the Second Amendment, the “Agreement”), each by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to approve an Amendment 3 Work Plan and to extend the term of the Agreement to December 31, 2024; and

WHEREAS, under Section 11 of the Agreement, the Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote of the then current Committee members as provided in Subsection 3(g); and

WHEREAS, except as provided below in Section 2.07 below, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Third Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Amendment;

NOW, THEREFORE, THIS THIRD AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

Section 2.01. Project Agreement Members.

(a) Effective January 1, 2022, Exhibit A to the Agreement titled “Project Agreement Members” shall be removed and replaced with Exhibit A to this Third Amendment titled “Project Agreement Members.”

Section 2.02. Work Plan.

(a) Effective January 1, 2022, the Amendment 2 Work Plan attached as Exhibit B to the Second Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 3 Work Plan”).

Section 2.03. Funding.

The Agreement is hereby amended to remove Section 4(a) in its entirety and replace it with the following:

“(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. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums reflected in the Amendment 3 Work Plan in accordance with Section 5 of this Project Agreement. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 3 Work Plan shall be payable by each Project Agreement Member in three installments. The first installment shall be in an amount equal to \$100 per acre-foot and shall be payable by no later than May 1, 2022. The second installment shall be in an amount equal to up to \$140 per acre-foot and shall be payable by no later than January 1, 2023. The third installment shall be in an amount equal to up to \$160 per acre-foot and shall be payable by no later than January 1, 2024. The obligation of the Project Agreement Members to make the second installment and third installment shall be conditioned upon the Authority and the Committee reapproving the Amendment 3 Work Plan or approving an amendment thereto by (i) an affirmative vote of at least 75% of the total number of Directors of the Authority Board and (ii) an affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g) of the then-current Committee members, prior to January 1, 2023 or January 1, 2024, as applicable.”

Section 2.04. Future Development of the Proposed Sites Reservoir Project.

The Agreement is hereby amended to add the below Sections 6(c), 6(d) and 6(e):

“(c) On or prior to March 31, 2022, each Project Agreement Member shall provide the Authority with a completed Project Agreement Member Project Payment Annex in the form attached hereto as Exhibit C. The Project Agreement Members, upon written request of the Authority, will meet with Authority staff from time to time, but not more often than once per calendar quarter, at which meeting, Authority staff will provide such Project Agreement Members with information regarding the then-current financing options being considered by the Authority and the expected terms of such financing options and the Project Agreement Member will provide updates regarding the status of the items identified in the Project Agreement Member Project Payment Annex.

(d) On or prior to June 30, 2023, each Project Agreement Member shall provide the Authority with a written update (the “Project Agreement Member Update”) with respect to the progress in the implementation of such repayment option, the remaining actions to be taken and the estimated completion dates.

For those Project Agreement Members that identified special benefit assessments or land based charges imposed in an improvement district as a source of repayment for an Authority

financing in its Project Agreement Member Payment Annex, the Project Agreement Member Update will also include a confirmation that such Project Agreement Member has the legal or contractual authority to discontinue water service to a water user that is delinquent in the payment of such special benefit assessment or land based charge, as applicable.

The Project Agreement Member Update will also include a confirmation that the Project Agreement Member has adopted a debt management policy that is compliant with California Government Code Section 8855(i), or, if such Project Agreement Member has not adopted such a debt management policy, the Project Agreement Member Update will include a statement that such Project Agreement Member expects to adopt such a debt management policy or an opinion from the general counsel to such Project Agreement Member to the effect that such a debt management policy is not required to be adopted by the Project Agreement Member to finance its share of the Project.

The Project Agreement Member Update shall also identify any change in the proposed source of repayment from the source identified in the Project Agreement Member Payment Annex previously submitted to the Authority.

(e) The Project Agreement Members that identified the repayment options of either special benefit assessments or land based charges imposed in an improvement district in their respective Project Agreement Member Payment Annexes agree to use best efforts to complete the necessary procedures to comply with the applicable requirements of Proposition 218 by no later than June 30, 2023.”

Section 2.05. Term. The Agreement is hereby amended to remove Section 8(b) in its entirety and replace it with the following:

“(b) The term of this Project Agreement shall continue until December 31, 2024. In the event that this Third Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by March 31, 2022, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Third Amendment shall become effective.”

Section 2.06. Admission of New Project Agreement Members. The Agreement is hereby amended to add the following sentence to end of the paragraph included under Section 10 of the Agreement:

“The Authority shall have the right to charge Project Agreement Members executing the Agreement after a date determined by the Board a fee, which such fee shall be established by the Board, to compensate Project Agreement Members who executed the Agreement prior to a date determined by the Board, for providing funding for the initial phases of the Project.”

Section 2.07. California Environmental Quality Act. The Agreement is hereby amended to add the following Section 18:

“Section 18 California Environmental Quality Act

Notwithstanding any provision of this Agreement, the Authority and the Project Agreement Members fully reserve all of their respective rights, powers, authority and discretion with respect to

the proposed Project pursuant to the agencies' respective obligations and responsibilities under the California Environmental Quality Act ("CEQA"). This includes: (A) the power and discretion of the Authority as the lead agency, upon the completion of its CEQA review, to adopt feasible mitigation measures or a feasible project alternative, to approve the proposed Project based on the requisite CEQA findings, or to disapprove the proposed Project; and (B) the powers and discretion of the Project Agreement Members concerning the specific matters within their respective jurisdiction and authority acting as responsible agencies under CEQA. Any future decisions on whether to issue an approval of the proposed Project, and if so, how to issue such approval, will not be made until the agency making the decision has first completed its CEQA review of the proposed Project."

ARTICLE III

PROJECT AGREEMENT MEMBER PARTICIPATION

Section 3.01. Project Agreement Participation. Each Project Agreement Member shall specify its participation in the Sites Reservoir Project by indicating its storage amount in the Sites Reservoir Project on the signature page to this Third Amendment. Based upon the respective participation elections of the Project Agreement Members, the Authority shall update Exhibit A pursuant to Section 5 of the Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Effectiveness of Agreement. Except as expressly amended by this Third Amendment, the Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this Third Amendment shall be incorporated as part of the Agreement upon their effectiveness in accordance with Section 11 of the Agreement.

Section 4.02. Execution in Several Counterparts. This Third Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 4.03. Laws Governing Third Amendment. The effect and meaning of this Third Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

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: _____

[PROJECT AGREEMENT MEMBER]
REPRESENTATIVES

The primary and alternate representatives of the [PROJECT AGREEMENT MEMBER] are identified below.

Primary Representative:

Alternate Representative:

ELECTION OF PARTICIPATION AMOUNT

[PROJECT AGREEMENT MEMBER] hereby elects to participate in the Sites Reservoir Project in the below amount.

- a) **Annualized Acre-Foot**
(acre-feet of releases)
- b) **Storage Allocation**
(acre-feet of storage)
*Box "a" * 6.234*
- c) **Total Budget Authorization**
*Box "a" * \$400 per acre-foot*

*****PARTICIPATION LEVELS ARE PRELIMINARY AND MAY BE ADJUSTED FOLLOWING
REBALANCING*****

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Third Amendment Participation		Percent
	Annualized Acre-Foot (Box "a")	Storage Allocation (Box "b")	
American Canyon, City of	4,000	24,936	2.4%
Antelope Valley-East Kern Water Agency	500	3,117	0.3
Carter Mutual Water Company #	300	1,870	0.2
Coachella Valley Water District	10,000	62,340	6.0
Colusa County	10,000	62,340	6.0
Colusa County Water District	10,073	62,795	6.0
Cortina Water District	450	2,805	0.3
Davis Water District	2,000	12,468	1.2
Desert Water Agency	6,500	40,521	3.9
Dunnigan Water District	2,972	18,527	1.8
Glenn-Colusa Irrigation District	5,000	31,170	3.0
Irvine Ranch Water District	1,000	6,234	0.6
LaGrande Water District	1,000	6,234	0.6
Metropolitan Water District of S. CA	50,000	311,700	29.8
Reclamation District 108	4,000	24,936	2.4
Rosedale-Rio Bravo Water Storage District	500	3,117	0.3
San Bernardino Valley Municipal Water District	21,400	133,408	12.8
San Geronio Pass Water Agency	14,000	87,276	8.4
Santa Clara Valley Water District	500	3,117	0.3
Santa Clarita Valley Water Agency	5,000	31,170	3.0
Westside Water District	5,375	33,508	3.2
Wheeler Ridge-Maricopa Water Storage District	3,050	19,014	1.8
Zone 7 Water Agency	10,000	62,340	6.0
Total:	167,620	1,044,943	100.0

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

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
AMENDMENT 3 WORK PLAN

EXHIBIT C

FORM OF PROJECT AGREEMENT MEMBER PROJECT PAYMENT ANNEX

Project Agreement Member:

Date:

Expected Source(s) of Repayment For Authority Financing (Check Each Box That Applies):	<input type="checkbox"/> Amounts Collected Through Department of Water Resources State Water Project Annual Statement of Charges	<input type="checkbox"/> Water Rates and Charges (Proposition 218 Compliance Required)	<input type="checkbox"/> Water Rates and Charges (Proposition 218 Compliance Not Required)	<input type="checkbox"/> Special Benefit Assessment-Districtwide	<input type="checkbox"/> Special Benefit Assessment Levied by District on Certain Lands	<input type="checkbox"/> Land-Based Charges Imposed Within an Improvement District
If An Improvement District, Has It Been Formed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If no, is it anticipated to be formed by June 30, 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If A Special Benefit Assessment, Has the Special Benefit Been Approved In An Amount To Pay Debt Service On The Authority Financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If no, is it anticipated to be presented for landowner approval by June 30, 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Does the District Have A Debt Management Policy Compliant With Section 8855(i) of the California Government Code?	<input type="checkbox"/> Yes	<input type="checkbox"/> No				

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SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of July 1, 2020

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THIS SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Second Amendment”), dated as of July 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the project agreement members listed in the Agreement referenced below (the “Project Agreement Members”) and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the “Original Agreement”), as previously amended by the First Amendment to 2019 Reservoir Project Agreement dated as of January 1, 2020 (the “First Amendment” and, together with the Original Agreement, the “Agreement”), each by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to approve an Amendment 2 Work Plan and to extend the term of the Agreement to December 31, 2021; and

WHEREAS, under Section 11 of the Agreement, the Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote of the then current Committee members as provided in Subsection 3(g); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Second Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

Section 2.01. **Project Agreement Members.**

(a) Effective September 1, 2020, the Project Agreement Members attached as Exhibit A to the Agreement shall be succeeded in their entirety by the Project Agreement Members attached hereto as Exhibit A.

Section 2.02. **Work Plan.**

(a) Effective September 1, 2020, the 2019 Work Plan attached as Exhibit B to the Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 2 Work Plan”).

Section 2.03. **Funding.**

The Agreement is hereby amended to remove Section 4(a) in its entirety and replace it with the following:

“(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. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums reflected in the 2019 Work Plan (prior to November 1, 2020) and the Amendment 2 Work Plan (on and after November 1, 2020) 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 \$160 per acre-foot (with \$60 of such amount being attributable to the 2019 Work Plan and \$100 of such amount being attributable to the Amendment 2 Work Plan) without the approval of such Project Agreement Member. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 2 Work Plan shall be payable by each Project Agreement Member in two installments. The first installment shall be in an amount equal to \$60 per acre-foot and shall be payable by no later than November 1, 2020. The second installment shall be in an amount up to \$40 per acre-foot and shall be payable by no later than April 1, 2021. The exact amount per acre-foot of the second installment shall be established by the Committee, in cooperation with the Authority’s Board, and notice of such amount shall be provided by the Authority to each Project Agreement Member.”

Section 2.04. **Future Development of the Sites Reservoir Project.**

The Agreement is hereby amended to remove Section 6(b) in its entirety and replace it with the following:

“(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 28, 2019, shall be granted rights to contract for a share, in an amount equal to that Project Agreement Member’s Participation Percentage as of the effective date of such successor phase agreement, 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.

If a participating Project Agreement Member as of February 28, 2019 identifies a lesser amount in the Second Amendment than its Original Agreement requested amount, that participating Project Agreement Member’s first rights of refusal in the future are to be based on the Second Amendment amounts and not the February 28, 2019 amounts.

Provided, however, that if a Project Agreement Member withdraws from the Project Agreement pursuant to Section 9 of this Agreement but later requests to be reinstated, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the

Committee may vote to readmit said withdrawn Member with a reinstated first right of refusal provided said withdrawing Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Authority's credit reimbursement policy (the "Credit Reimbursement Policy").

Further provided, that if a Project Agreement Member desires to increase its participation after execution of the Second Amendment, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the Committee may vote to approve said increase, or portion thereof, with a first right of refusal attendant thereto, provided said increasing Project Agreement Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Credit Reimbursement Policy.

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 Project Agreement Member."

Section 2.05. **Term.** The Agreement is hereby amended to remove Section 8(b) in its entirety and replace it with the following:

"(b) The term of this Project Agreement shall continue until December 31, 2021. In the event that this Second Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by June 30, 2020, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Second Amendment shall become effective."

Section 2.06. **Executive Director.** All references to the "General Manager" in the Agreement shall be changed to "Executive Director."

ARTICLE III

PROJECT AGREEMENT MEMBER PARTICIPATION

Section 3.01. **Project Agreement Participation.** Each Project Agreement Member shall specify its participation in the Sites Reservoir Project by indicating its elected water participation amount in the Sites Reservoir Project and the associated cost in the space provided therefor on the signature page to this Second Amendment. Based upon the respective participation elections of the Project Agreement Members, the Authority shall update Exhibit A pursuant to Section 5 of the Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.01. **Effectiveness of Agreement.** Except as expressly amended by this Second Amendment, the Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this Second Amendment shall be incorporated as part of the Agreement upon their effectiveness in accordance with Section 11 of the Agreement.

Section 4.02. **Execution in Several Counterparts.** This Second Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 4.03. **Authorization, Ratification and Confirmation of Certain Actions.** The Authority and the Project Agreement Members each hereby authorize, ratify and confirm the extension of the term of the Agreement, as previously extended pursuant to the First Amendment, to June 30, 2020, and the expenditure of funds collected under the Agreement with respect to the 2019 Work Plan on and prior to June 30, 2020.

Section 4.04. **Laws Governing Second Amendment.** The effect and meaning of this Second Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

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: Nov. 17, 2020


(Authority & Project Agreement Member)

By: Santa Clara Valley Water District
Name: Rick L. Callender, Esq.
Title: Chief Executive Officer

PARTICIPATION AMOUNT

[PROJECT AGREEMENT MEMBER] hereby elects to participate in the Sites Reservoir Project in the amount and at the cost identified below.

**Participation
(Second Amendment
Annualized Acre-Foot): 500 Acre-feet**

**Second Amendment Cost: \$50,000.00
Not to Exceed \$100 per
Acre-Foot**

EXHIBIT B
AMENDMENT 2 WORK PLAN

EXHIBIT A
PROJECT AGREEMENT MEMBERS

Participant	Participation (Second Amendment Annualized Acre-Foot)	
	Preliminary	Percent
American Canyon, City of		
Antelope Valley-East Kern Water Agency		
Carter Mutual Water Company #		
Coachella Valley Water District		
Colusa County		
Colusa County Water District		
Cortina Water District		
Davis Water District		
Desert Water Agency		
Dunnigan Water District		
Glenn-Colusa Irrigation District		
LaGrande Water District		
Metropolitan Water District of S. CA		
Pacific Resources Mutual Water Company #		
Reclamation District 108		
San Bernardino Valley Municipal Water District		
San Geronio Pass Water Agency		
Santa Clara Valley Water District		
Santa Clarita Valley Water Agency		
Westside Water District		
Wheeler Ridge-Maricopa Water Storage District		
Zone 7 Water Agency		
Potential new participants		
Total:		

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

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
Reservoir Committee
2020 and 2021 Work Plan

Reservoir Committee Annual Budget for FY 2020 and FY 2021 (\$000)

	Subject Area	2020	2021	Total
Revenue	Beginning Balance	\$6,847	\$0	\$6,847
	Participation Revenue	\$11,520	\$7,680	\$19,200
	Federal Revenue	\$0	\$4,000	\$4,000
	State Revenue	\$5,134	\$5,502	\$10,636
Revenue Total		\$23,501	\$17,182	\$40,683
Expenses	Permitting	(\$2,558)	(\$5,011)	(\$7,569)
	Early Mitigation	(\$243)	(\$2,257)	(\$2,500)
	Environmental Planning	(\$3,511)	(\$2,376)	(\$5,887)
	Operations Modeling	(\$3,486)	(\$536)	(\$4,022)
	Engineering	(\$4,360)	(\$2,180)	(\$6,540)
	Geotechnical	(\$1,142)	(\$2,003)	(\$3,145)
	Real Estate	(\$145)	(\$272)	(\$417)
	Communications	(\$489)	(\$579)	(\$1,068)
	Project Controls	(\$1,333)	(\$1,528)	(\$2,861)
	Funding	(\$777)	(\$590)	(\$1,367)
	Growth	(\$819)	(\$910)	(\$1,729)
	Management	(\$461)	(\$1,219)	(\$1,681)
	Support	(\$248)	(\$388)	(\$636)
Expenses Total		(\$19,573)	(\$19,848)	(\$39,422)
Grand Total		\$3,928	(\$2,666)	\$1,261

Annual expense budgets are based on the projected spend rate for the Amendment 1B and Amendment 2 work plans combined (Pg 2 and 3).

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Amendment 1B Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Total
Revenue									
Beginning Balance*	\$6,847								\$6,847
Participation Revenue									\$0
Federal Revenue									\$0
State Revenue	\$3,300								\$3,300
Revenue Sum	\$10,147								\$10,147
Expenses									
Environmental Planning	(\$269)	(\$245)	(\$269)	(\$269)	(\$245)	(\$257)	\$0	\$0	(\$1,555)
Operations Modeling	(\$519)	(\$472)	(\$355)	(\$220)	(\$116)	(\$85)	(\$55)	(\$53)	(\$1,876)
Engineering	\$0	(\$151)	(\$237)	(\$239)	(\$247)	(\$272)	(\$248)	(\$205)	(\$1,600)
Geotechnical	\$0	\$0	(\$27)	(\$118)	(\$107)	(\$118)	(\$118)	(\$113)	(\$601)
Real Estate	(\$7)	(\$6)	(\$7)	(\$7)	(\$6)	(\$7)	(\$7)	(\$7)	(\$55)
Communications	(\$38)	(\$35)	(\$38)	(\$38)	(\$35)	(\$38)	(\$38)	(\$36)	(\$297)
Project Controls	(\$255)	(\$77)	(\$85)	(\$85)	(\$77)	(\$85)	(\$85)	(\$81)	(\$828)
Funding	(\$74)	(\$109)	(\$120)	(\$121)	(\$104)	(\$61)	(\$37)	(\$35)	(\$661)
Growth	(\$93)	(\$84)	(\$93)	(\$93)	(\$84)	(\$93)	(\$93)	(\$88)	(\$719)
Management	\$0	\$0	\$0	(\$1)	(\$23)	(\$25)	(\$9)	\$0	(\$58)
Support	(\$15)	(\$14)	(\$15)	(\$15)	(\$14)	(\$15)	(\$15)	(\$15)	(\$120)
Expenses Sum	(\$1,271)	(\$1,194)	(\$1,247)	(\$1,206)	(\$1,059)	(\$1,056)	(\$705)	(\$633)	(\$8,370)

*Adjusted from value published in work plan based on 2019 close-out

Amendment 2 Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Oct 21	Sep 21	Nov 21	Dec 21	Total
Revenue																	
Participation Revenue			\$11,520					\$7,680									\$19,200
Federal Revenue							\$2,000				\$2,000						\$4,000
State Revenue			\$1,834			\$1,834						\$1,834			\$1,834		\$7,336
Revenue Total			\$13,354			\$1,834	\$2,000	\$7,680			\$2,000	\$1,834			\$1,834		\$30,536
Expenses																	
Permitting	(\$253)	(\$577)	(\$1,023)	(\$705)	(\$525)	(\$525)	(\$584)	(\$471)	(\$419)	(\$448)	(\$295)	(\$309)	(\$295)	(\$295)	(\$613)	(\$232)	(\$7,569)
Early Mitigation	\$0	\$0	(\$113)	(\$131)	(\$119)	(\$119)	(\$136)	(\$131)	(\$119)	(\$235)	(\$231)	(\$242)	(\$231)	(\$231)	(\$220)	(\$242)	(\$2,500)
Environmental Planning	(\$488)	(\$512)	(\$442)	(\$513)	(\$474)	(\$474)	(\$218)	(\$71)	(\$65)	(\$71)	(\$61)	(\$62)	(\$216)	(\$42)	(\$343)	(\$279)	(\$4,332)
Operations Modeling	(\$621)	(\$680)	(\$232)	(\$78)	(\$71)	(\$71)	(\$81)	(\$72)	(\$43)	(\$48)	(\$46)	(\$48)	(\$11)	(\$46)	\$0	\$0	(\$2,146)
Engineering	(\$1,134)	(\$768)	(\$398)	(\$461)	(\$108)	(\$185)	(\$355)	(\$292)	(\$221)	(\$190)	(\$161)	(\$186)	(\$155)	(\$155)	(\$147)	(\$25)	(\$4,941)
Geotechnical	(\$52)	(\$54)	(\$61)	(\$374)	(\$346)	(\$461)	(\$513)	(\$134)	(\$124)	(\$172)	(\$42)	(\$44)	(\$42)	(\$42)	(\$40)	(\$42)	(\$2,544)
Real Estate	(\$23)	(\$24)	(\$20)	(\$24)	(\$21)	(\$21)	(\$25)	(\$24)	(\$21)	(\$24)	(\$23)	(\$24)	(\$23)	(\$23)	(\$21)	(\$24)	(\$362)
Communications	(\$48)	(\$50)	(\$43)	(\$50)	(\$46)	(\$46)	(\$52)	(\$50)	(\$46)	(\$50)	(\$48)	(\$50)	(\$48)	(\$48)	(\$46)	(\$50)	(\$771)
Project Controls	(\$126)	(\$132)	(\$114)	(\$132)	(\$120)	(\$120)	(\$138)	(\$132)	(\$120)	(\$132)	(\$126)	(\$132)	(\$126)	(\$126)	(\$120)	(\$132)	(\$2,033)
Funding	(\$29)	(\$30)	(\$26)	(\$30)	(\$64)	(\$66)	(\$76)	(\$73)	(\$66)	(\$71)	(\$29)	(\$30)	(\$29)	(\$29)	(\$28)	(\$30)	(\$706)
Growth	(\$25)	(\$26)	(\$23)	(\$26)	\$0	\$0	(\$38)	(\$36)	(\$33)	(\$36)	(\$35)	(\$154)	(\$146)	(\$146)	(\$139)	(\$148)	(\$1,010)
Management	(\$101)	(\$106)	(\$91)	(\$106)	(\$96)	(\$96)	(\$110)	(\$106)	(\$96)	(\$106)	(\$101)	(\$106)	(\$101)	(\$101)	(\$96)	(\$106)	(\$1,623)
Support	(\$32)	(\$34)	(\$29)	(\$34)	(\$31)	(\$31)	(\$35)	(\$34)	(\$31)	(\$34)	(\$32)	(\$34)	(\$32)	(\$32)	(\$31)	(\$34)	(\$516)
Expenses Total	(\$2,931)	(\$2,994)	(\$2,616)	(\$2,663)	(\$2,020)	(\$2,214)	(\$2,362)	(\$1,624)	(\$1,404)	(\$1,616)	(\$1,230)	(\$1,422)	(\$1,454)	(\$1,314)	(\$1,844)	(\$1,345)	(\$31,052)

Page 3 of 3

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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 **Exhibit B**. 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 "Approved Budget" 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. 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 28, 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: 3/25/2019

SITES PROJECT AUTHORITY

By: [Signature]
Name: JC Watson
Title: General Manager

[PROJECT AGREEMENT MEMBER]

Dated: _____

City of American Canyon

(Authority & Project Agreement Member)

4,000 AF

By: Jason Ho City Manager
Name: [Signature]
Title: 2/11/19

Dated: 3/1/19

ANTELOPE VALLEY - EAST KERN WATER AGENCY

(Authority & Project Agreement Member)

500 AF

By: [Signature] For
Name: DWAYNE CHISAM
Title: GENERAL MANAGER

[PROJECT AGREEMENT MEMBER]

Dated: 4/27/2019

CARTER MUTUAL WATER COMPANY

(Authority & Project Agreement Member)

300 AF

By: [Signature]
Name: BENJAMIN F. CARTER
Title: MANAGER

Dated: 02.13.2019

COACHELLA VALLEY WATER DISTRICT

(Authority & Project Agreement Member)

10,000 AF

By: [Signature]
Name: J. M. Barrett
Title: General Manager

Dated: 2/19/19

Colusa County

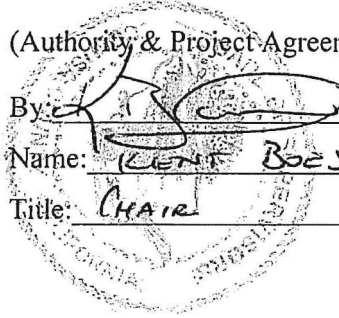
10,000 AF

(Authority & Project Agreement Member)

By: [Signature]

Name: KENT BOES

Title: CHAIR



ATTEST: Wendy G. Tyler, Clerk to the Board of Supervisors

By: [Signature]
Patricia Rodriguez, Deputy Clerk

APPROVE AS TO FORM

[Signature]
Marcos Kropf, County Counsel

[PROJECT AGREEMENT MEMBER]

Dated: 2/25/19

[Signature]

(Authority & Project Agreement Member)

11,975 AF

By: Shelly Murphy
Name: Colusa County Water District
Title: General Manager

Dated: 02/05/19

(Authority & Project Agreement Member) Desert Water Agency

6,500 AF

By: [Signature]
Name: Mark S. Krause
Title: General Manager-Chief Engineer

Dated: 1/25/19

5,000 AF

GLENN COLUSA IRRIGATION DISTRICT



(Authority & Project Agreement Member)

By: Donald R. Braustford Name:

Title: President - Glenn-Colusa Irrigation District

Dated: 3/10/19

50,000 AF

Metropolitan Water District of Southern California

(Authority & Project Agreement Member)

By: 
Name: Jeffrey Kightlinger
Title: General Manager

Dated: 15 FEB 2019

RD - 108

(Authority & Project Agreement Member)

By: 
Name: WILLIAM VANDERWAAL
Title: DEPUTY MANAGER, RD-108

4,000 AF

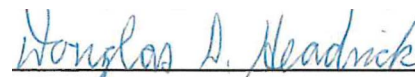
Dated: 1/28/19

21,400 AF

[PROJECT AGREEMENT MEMBER]

San Bernardino Valley Municipal Water District

(Authority & Project Agreement Member)

By: 
Name: Douglas D. Headrick
Title: General Manager

[PROJECT AGREEMENT MEMBER]

Dated: 2-27-19

San Geronimo Pass Water Agency

(Authority & Project Agreement Member)

By: [Signature]
Name: JEFF DAVIS
Title: General Manager

14,000 AF

Dated: 2/14/19

Santa Clarita Valley Water Agency

(Authority & Project Agreement Member)

By: [Signature]
Name: Matthew G. Stone
Title: General Manager

5,000 AF

Dated: February 26, 2019

SANTA CLARA VALLEY WATER DISTRICT

(Authority & Project Agreement Member)

By: [Signature]
Name: Norma J. Camacho
Title: Chief Executive Officer

16,000 AF

Dated: 3/7/2019

CORTINA WATER DISTRICT

(Authority & Project Agreement Member)

By: [Signature]
Name: JAMES PETERSON
Title: VICE PRESIDENT

450 AF

[Signature]
Charles Grimmer
President CWD

Dated: 2/13/19

Davis Water District

(Authority & Project Agreement Member)

By: [Signature]

Name: Thomas Charter

Title: Vice-President

2,000 AF

[PROJECT AGREEMENT MEMBER]

Dated: 15 FEB 2019

Dunnigan WD

(Authority & Project Agreement Member)

By: [Signature]

Name: WILLIAM VANDERWAAL

Title: MANAGER - DWD

2717 AF

Dated: 03-21-19

(Authority & Project Agreement Member)

By: LaGrande Water District by [Signature]

Name:

Title:

1,000 AF

Dated: 2-25-2019

Westside Water District

(Authority & Project Agreement Member)

By: [Signature]

Name: Doug Parker

Title: Board President


15,000 AF

Dated: February 13, 2019

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

3,050 AF

By: 
Name: George R. Cappello
Title: President

By: 
Name: Jose B. Marin
Title: Secretary

Dated: 1/30/19

ZONE 7 WATER AGENCY


(Authority & Project Agreement Member)

10,000 AF

By: _____
Name: _____
Title: _____

EXHIBIT A
PROJECT AGREEMENT MEMBERS

Participant	Participation (Annualized Acre-Foot)		
	Estimated Deliveries	Water Supply Pct	Weighted Voting Pct
American Canyon, City of	4,000	2.1%	3.42 %
Antelope Valley-East Kern WA	500	0.3%	2.51 %
Carter MWC ‡	300	0.2%	2.46 %
Coachella Valley WD	10,000	5.2%	4.97 %
Colusa County	10,000	5.2%	4.97 %
Colusa County WD	11,975	6.2%	5.49 %
Desert WA	6,500	3.4%	4.06 %
Glenn-Colusa ID	5,000	2.6%	3.68 %
Metropolitan WD of S. CA	50,000	25.9%	15.34 %
Reclamation District 108	4,000	2.1%	3.42 %
San Bernardino Municipal WD	21,400	11.1%	7.93 %
San Geronio Pass WA	14,000	7.3%	6.01 %
Santa Clara Valley WD	16,000	8.3%	6.53 %
Santa Clarita Valley WA	5,000	2.6%	3.67 %
TC4: Cortina WD	450	0.2%	2.50 %
TC4: Davis WD	2,000	1.0%	2.90 %
TC4: Dunnigan WD	2,717	1.4%	3.09 %
TC4: LaGrande WD	1,000	0.5%	2.64 %
Westside WD	15,000	7.8%	6.27 %
Wheeler Ridge-Maricopa WSD	3,050	1.6%	3.17 %
Zone 7 WA	10,000	5.2%	4.97 %
Total:	192,892	100.0 %	100.00 %

Participation Percentages exclude State of California's and United States Bureau of Reclamation's participation in the Sites Reservoir Project.

‡ Denotes a non-member participating party. 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 Revenue (+)	Cost Center	Task	Resource	Reprioritize	Approved Budget
				Currently Approved Budget	Authority= 12 mon Res. Comm= 9 mon
Expense (-) or Revenue (+)	Cost Center	Task	Resource	Sum of Total End of 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)
	Operations Total			\$ (576,377)	\$ (2,133,633)
	Power	Grid Interconn+		\$ -	\$ (1,097,880)
		H2oPower+		\$ -	\$ (668,453)
		Staff Aug+		\$ -	\$ (632,880)
		Staff+		\$ -	\$ -
	Power Total			\$ -	\$ (2,399,213)
	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)
	Res. Comm. OH Total			\$ (259,095)	\$ (7,057,351)
	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)
	Water Total			\$ (1,261,000)	\$ (21,154,022)
Expense Total				\$ (2,096,472)	\$ (34,946,312)

Summary - Page 1 of 2

				Reprioritize Currently Approved Budget	Approved Budget Authority= 12 mon Res. Comm= 9 mon
Expense (-) or Revenue (+)	Cost Center	Task	Resource	Sum of Total End of 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
Revenue Total				\$ 821,603	\$ 34,965,795
Grand Total				\$ (1,274,870)	\$ 19,482

Summary - Page 2 of 2

NOTE: 2019 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-1.

EXHIBIT C
NOTIFICATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FIRST AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of January 1, 2020

THIS FIRST AMENDMENT TO RESERVOIR PROJECT AGREEMENT (this "First Amendment"), dated as of January 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the project agreement members listed in the Original Agreement referenced below (the "Project Agreement Members") and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the "Original Agreement"), by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to extend the term of the Original Agreement to June 30, 2020; and

WHEREAS, under Section 11 of the Original Agreement, the Original Agreement may be amended 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; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, THIS FIRST AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Original Agreement.

ARTICLE II

AMENDMENTS TO 2019 ORIGINAL AGREEMENT

Section 2.01. **Amendments to Section 8(b) of the Original Agreement.**

(a) The reference in Section 8(b) of the Original Agreement to December 31, 2019 shall be changed to June 30, 2020. In the event that this First Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Original Agreement by December 31, 2019, the Original Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this First Amendment shall become effective.

ARTICLE III

MISCELLANEOUS

Section 3.01. **Effectiveness of Original Agreement.** Except as expressly amended by this First Amendment, the Original Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this First Amendment shall be incorporated as part of the Original Agreement upon their effectiveness in accordance with Section 11 of the Original Agreement.

Section 3.02. **Execution in Several Counterparts.** This First Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 3.03. **Laws Governing First Amendment.** The effect and meaning of this First Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

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: May 13, 2020

SITES PROJECT AUTHORITY

By: _____
Name: Jos C. Wata
Title: _____

Dated: 1/9/20
[PROJECT AGREEMENT MEMBER]
Santa Clarita Valley Water Agency
(Authority & Project Agreement Member)
By: Matthew G. Stone
Name: Matthew G. Stone
Title: General Manager, Santa Clarita Valley Water Agency

Dated: 12-17-2019
[PROJECT AGREEMENT MEMBER]
Westside Water District
(Authority & Project Agreement Member)
By: Douglas Parker
Name: Douglas Parker
Title: President of Board of Directors

Dated: 12/17/19
[PROJECT AGREEMENT MEMBER]
DESERT WATER AGENCY
(Authority & Project Agreement Member)
By: Mark S. Krause
Name: Mark S. Krause
Title: General Manager-Chief Engineer

Dated: 12/19/19
[PROJECT AGREEMENT MEMBER]
Davis Water District
(Authority & Project Agreement Member)
By: Thomas E. Charter
Name: Thomas E. Charter
Title: Vice-President

Dated: 11 DEC 2019
[PROJECT AGREEMENT MEMBER]
DUNNIGAN WATER DISTRICT
(Authority & Project Agreement Member)
By: WR VANDERWAAL
Name: WR VANDERWAAL
Title: MANAGER

Dated: _____
[PROJECT AGREEMENT MEMBER]
GLIMP - COMSA I.D.
(Authority & Project Agreement Member)
By: THADDEUS L. BETNER
Name: THADDEUS L. BETNER
Title: General Manager, SECRETARY

Dated: 3/3/20
[PROJECT AGREEMENT MEMBER]
HERNANDON WATER DISTRICT
(Authority & Project Agreement Member)
By: GERRIE HARRIS
Name: _____
Title: _____

Dated: 19 DEC 2019
[PROJECT AGREEMENT MEMBER]
RECLAMATION DISTRICT No. 108
(Authority & Project Agreement Member)
By: WILLIAM VANDERWAAL
Name: WILLIAM VANDERWAAL
Title: DEPUTY MANAGER

Dated: 12/17/19
[PROJECT AGREEMENT MEMBER]
San Bernardino Valley Municipal Water District
(Authority & Project Agreement Member)
By: Douglas D. Headrick
Name: Douglas D. Headrick
Title: General Manager

Dated: 12-6-19
[PROJECT AGREEMENT MEMBER]
San Geronimo Pass Water Agency
(Authority & Project Agreement Member)
By: Jeff Davis
Name: Jeff Davis
Title: General Mgr

Dated: 12/27/19
[PROJECT AGREEMENT MEMBER]
SANTA CLARA VALLEY WATER DISTRICT
(Authority & Project Agreement Member)
By: Rick L. Callender
Name: Rick L. Callender
Title: Chief of External Affairs - External Affairs Division
Acting for Norma J. Camacho
Chief Executive Officer

Dated: December 11, 2019
[PROJECT AGREEMENT MEMBER]
WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT
(Authority & Project Agreement Member)
By: Dennis Atkinson
Name: Dennis Atkinson
Title: President

Dated: 4/19/2020
[PROJECT AGREEMENT MEMBER]
CARTER MUTUAL WATER COMPANY
(Authority & Project Agreement Member)
By: Dominic J. F.
Name: _____
Title: _____

Dated: 12/23/19
[PROJECT AGREEMENT MEMBER]
SITES PROJECT AUTHORITY
(Authority & Project Agreement Member)
By: Jason Holley
Name: Jason Holley
Title: City Manager

Dated: 01.15.2020

COACHELLA VALLEY WATER DISTRICT

Dated: 12/31/19

(Authority & Project Agreement Member)

By: [Signature]
Name: J.M. BARRETT
Title: GENERAL MANAGER

COLUSA COUNTY WATER DISTRICT

By: [Signature]
Name: Shelly Murphy
Title: General manager

Dated: 12/17/19

COUNTY OF COLUSA

Dated: 1/15/20

(Authority & Project Agreement Member)

By: [Signature]
Name: Ken S. Boes
Title: Chairman

Zone 7 Water Agency

(Authority & Project Agreement Member)

By: [Signature]
Name: Valerie Pryor
Title: General Manager

ATTEST: Wendy G. Tyler, Clerk to the Board of Supervisors

by [Signature]
Melissa Kitts, Deputy

Participant	Amendment 2		Storage Allocation (AF) ²	Estimated Cost Share of Total Project ³
	Participation (AF of Yield) ¹	% Participation		
Antelope Valley-East Kern WA	500	0.30%	3,117	0.2%
Carter Mutual WC	300	0.18%	1,870	0.1%
City of American Canyon	4,000	2.39%	24,936	1.8%
Coachella Valley WD	10,000	5.97%	62,340	4.5%
Colusa County	10,000	5.97%	62,340	4.5%
Colusa County WD	10,073	6.01%	62,795	4.6%
Cortina WD	450	0.27%	2,805	0.2%
Davis WD	2,000	1.19%	12,468	0.9%
Desert WA	6,500	3.88%	40,521	2.9%
Dunnigan WD	2,972	1.77%	18,527	1.3%
Glenn-Colusa ID	5,000	2.98%	31,170	2.3%
Irvine Ranch Water District	1,000	0.60%	6,234	0.5%
La Grande WD	1,000	0.60%	6,234	0.5%
Metropolitan WD of S. California	50,000	29.83%	311,700	22.6%
Reclamation District 108	4,000	2.39%	24,936	1.8%
Rosedale-Rio Bravo WD	500	0.30%	3,117	0.2%
San Bernardino Valley Municipal WD	21,400	12.77%	133,408	9.7%
San Geronio Pass WA	14,000	8.35%	87,276	6.3%
Santa Clara Valley WD	500	0.30%	3,117	0.2%
Santa Clarita Valley WA	5,000	2.98%	31,170	2.3%
Westside WD	5,375	3.21%	33,508	2.4%
Wheeler Ridge - Maricopa WSD	3,050	1.82%	19,014	1.4%
Zone 7 WA	10,000	5.97%	62,340	4.5%
Public Water Agency Total	167,620	100.00%	1,044,943	75.7%
State of California			244,000	17.7%
Bureau of Reclamation (7% Investment)			91,000	6.6%

1. AF of yield currently primarily used as basis of local agency participation
2. Storage allocation for State of California and Reclamation are estimated and TBD later
3. Cost Share is of Total Project Costs and not only Participating Water Agencies

Sites JPA has also received new participant requests from the following agencies:

- Westlands Water District
- Madera County GSA
- City of Napa
- Woodland Davis CWA
- Glen County

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Sites Project Authority Work Plan from January 2022 through December 2024

September 22, 2021

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Attachments

Attachment A – Amendment 3 Budget by Subject Area and Firm

1. Introduction

1.1 Background

The Sites Reservoir Project (Project) currently follows a work plan (Amendment 2) that identifies Project activities and funding sources through December 31, 2021. The Reservoir Committee's current participation agreement will be amended to extend the period of performance to December 31, 2024; therefore, a new work plan (Amendment 3) is needed to continue advancing the Sites Project.

1.2 Overview

This document outlines the work to be performed between January 1, 2022, and December 31, 2024, to meet Project goals and objectives that were developed with input from the Authority Board and Reservoir Committee (Board) in early 2021. The work plan provides key deliverables, schedules, and operational budgets needed to meet Project goals and objectives, including but not limited to obtaining key permits, obtaining a water right, and securing Project financing. It also includes an estimated split of the Authority Board's and Reservoir Committee's revenues and expenses. Activities outlined in this work plan are required for the Sites Project to complete the planning phase (Phase 2). This work plan will be superseded by a new participation agreement and work plan in January 2025 or with the initiation of a new agreement that includes financing provisions, whichever comes first.

If approved by the Authority Board and Reservoir Committee, a summary budget will be included as an exhibit to the Third Amendment to the 2019 Reservoir Project Agreement (Amendment 3). The budget is presented at the subject-area level. Task orders will be developed following the approval of this work plan. Subject-area budgets and key deliverables outlined in this document will be the basis for task order development. Task order budgets will be established for a 36-month period; however, commitments will be determined and executed on an annual basis coinciding with work plan cash call check-in periods. Task orders will be considered for Reservoir Committee and Authority Board approval in November 2021.

While Sites staff have made efforts to incorporate into this work plan any known current Project impacts due to the COVID-19 pandemic, the work plan has not accounted for unknown future changes due to the COVID-19 pandemic, including, without limitation, additional restrictions by government agencies or others (such as the availability of sites for access or the availability of client or consultant staff or others, the timing of revenue, etc.), to the extent they delay or otherwise impact the Project. In that event, Sites staff will notify the Reservoir Committee and Authority Board of the issue and make adjustments to stay within budget and schedule while still meeting deadlines.

2. Work Plan Goals and Schedule Targets

Work plan goals and objectives are based on activities required to complete the Project planning phase and achieve Project financing as determined by the Reservoir Committee and Authority Board. Goals and objectives are evaluated to determine deliverables, required revenue and expenses, and a cash flow for the duration of the work plan.

2.1 Work Plan Goals

Work plan goals and objectives form the basis of the work plan by providing high-level outcomes and required timing. The Project goals for this work plan are outlined below according to the Strategic Plan Goal Areas:

1. **Affordability** – Securing commitments for Project funding provides the resources needed to execute design, construction, and operational phases of the Project in a manner affordable to participants. Key affordability objectives include:
 - Secure a final funding agreement with California Water Commission for the remainder of the MCED.
 - Execute final operations agreements with facility partners, federal and state agencies.
 - Secure federal funding from the WIIN Act and other sources. Receive final federal commitments for project construction and execute Water Storage and Supply Services Contract with Reclamation.
 - Complete loan applications including WIFIA, USDA Loan, and bank financing and related activities to immediately initiate bank financing at the start of the next phase.
 - Complete and execute Water Supply and Storage Services Contracts (now referred to as “Benefits and Obligations Contracts”) with each Local Agency participating in the Project.
 - Continue to refine affordability analysis based on updated capital and operating cost estimate, cost of capital, cost allocation and benefits analysis, and conduct value engineering studies, independent review boards, and design engineering constructability reviews as necessary.
2. **Permittability** – Securing the agreements and permits necessary to build and operate a multi-benefit reservoir. Key permittability objectives include:
 - Complete Final EIR/EIS, Authority approves the Project, certifies the Final EIR, adopts the MMRP and issues the Notice of Determination, and Reclamation executes the Record of Decision.
 - Complete and obtain all key environmental permits for WSIP final award and initiate secondary permits for construction and operations.
 - Receive water right Order and Permit from the SWRCB.
 - Develop draft and/or final all plans, as appropriate, identified in the EIR/EIS (such as the recreation management plan, traffic management plan, land management plan, operations plan, etc).
 - Complete and obtain local agency agreements and permits along with any required city or county actions necessary to support long lead activities necessary for the next Phase.
 - Complete and execute benefit contracts with DWR (flood control and recreation benefits) and CDFW (environmental benefits) for public benefits.
 - Develop a mitigation acquisition master plan and approach for mitigating the Project effects. Begin biological and cultural resources surveys to refine impacts and mitigation obligations on properties where willing land access can be obtained.

- Initiate application for approval of permit to construct from DSOD for all jurisdictional facilities (dams) within the Project.
 - Continue evaluation of operations parameters and support development of final operating agreements.
3. **Buildability** – Completing facilities designs that efficiently manage risk and achieve affordability criteria. Key buildability objectives include:
- Complete engineering design to 30% level and provide updated construction and operations cost estimates. Complete further facility designs as needed to get key permits and approvals required for WSIP funding.
 - Evaluate alternative project delivery methods, determine risks for project variances and recommended risk management strategies, finalize construction bid packages, and determine overall Project schedule.
 - Develop land acquisition master plan and rights of way manual. Conduct preliminary landowner negotiations with willing sellers for potential acquisition of key parcels via options or fee title.
 - Perform geotechnical evaluations of all “willing seller” properties related to long-lead Project facilities (including permitting and monitoring).
 - Continue coordination with local community organizations and agencies to address Project effects during construction and operations.
4. **Effectiveness** – Strengthening the Sites organization as owner of a multibillion-dollar Project. Key effectiveness objectives include:
- Develop and define the organizational culture, values and management approaches.
 - Prepare Project controls and processes to ensure continued transparency and efficient operations through detailed design and construction.
 - Determine the organization structure, insurance and organizational risk management approaches for the remainder of the Project and create the basic infrastructure to effectuate these changes at the start of the next work period.

2.2 Project Schedule Targets

The Project master schedule through December 31, 2024, is based on work plan goals and objectives and schedule targets to support key deliverables. The schedule is cost-loaded and provides the basis for revenue and expense budgets discussed in later sections. The following schedule targets are key milestones critical to closing out Phase 2 and securing Project financing during this work plan period. Project schedule targets provided below are based on a full 36-month work plan. Should bank financing occur in mid-2023, a revised work plan and agreements will be developed to reflect an accelerated pace.

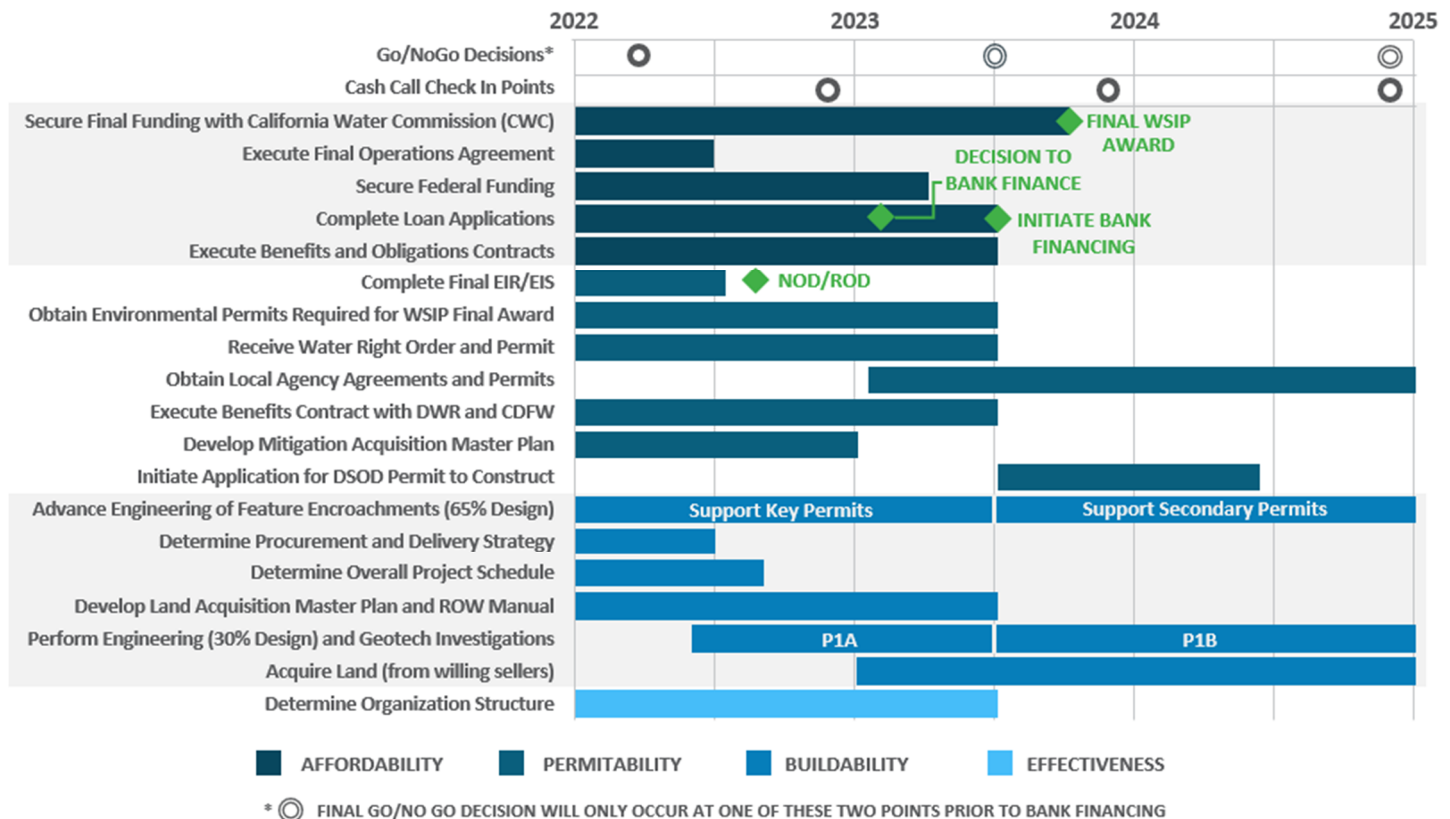


FIGURE 1. WORK PLAN SCHEDULE TARGETS

Participant funding go / no go decisions are predefined milestones where an adjustment to participation levels can be made (also referred to as rebalancing). Participant funding go / no go decisions will be required:

1. **Prior to entering Amendment 3:** Target date for all signed participation agreements is March 31, 2022 with cash call invoices going out April 1, 2022 payable in 30 days.
2. **Prior to entering a new or amended agreement:** Expected at the end of the Amendment 3 agreement (Dec 31, 2024), at which point, a new agreement would be needed. If this agreement needs to be modified to include financing terms, then a new or amended agreement would be developed and a go / no go decision would take place. The earliest anticipated availability of bank financing is at 18 months into the work plan.

Cash call check-ins and budget adjustments will occur annually and per the terms of the participation agreement. The intent of cash call check-ins is to recalibrate goals and objectives, key deliverable progress, expense and revenue assumptions, subject area budgets, cash flow projections, and cash call amounts. Cash call check-in periods will occur approximately in October of 2022 and 2023 to define the Project needs for the following calendar year. An update to the Amendment 3 Work Plan will be prepared by Sites staff and presented to the Reservoir Committee and Authority Board for approval.

3. Deliverables

To meet goals, objectives, and schedule targets while providing measurable progress, a list of key deliverables has been developed, as shown in Table 1. This list is not exhaustive but provides the key deliverables, grouped by subject area, that will be used to report progress throughout the work plan. The target status for each deliverable follows an approximate 12-month (January 1, 2023), 18-month (June 1, 2023), or 36-month (December 31, 2024) timeline based on priority, availability, and impact on other deliverables.

Table 1. Work Plan Key Deliverables				
Key Deliverable by Subject Area*	Target completion in			Notes
	12 Months	18 Months	36 Months	
Engineering				
Initiate Application for Permit to Construct from DSOD		✓		
Advance Engineering of Project Feature Encroachments to 65% Design Level in Support of Permitting		✓	✓	Key permit support in first 18 months
Determine Procurement and Delivery Strategy	✓			
Determine Overall Project Schedule	✓			
Preliminary Engineering (30% design level) and P1A/P1B Geotechnical Investigations		✓	✓	Complete P1A in first 18 months
Program Ops				
Execute Benefits Contracts with DWR and CDFW		✓		
Secure Final Funding with CWC			✓	
Execute Final Operations Agreement with Facility Partners, and Federal and State Agencies	✓			
Secure Federal Funding		✓		
Complete Loan Applications		✓	✓	Dependent on bank financing decision
Determine Organization Structure		✓		
Execute Benefits and Obligations Contracts		✓	✓	Dependent on bank financing decision
Permitting				
Obtain Environmental Permits Required for WSIP Final Award		✓		
Develop Mitigation Acquisition Master Plan	✓			
Receive Water Right Order and Permit		✓		
Obtain Local Agency Agreements and Permits			✓	
Planning				
Complete Final EIR/EIS	✓			NOD & ROD in August 2022
Real Estate				
Develop Land Acquisition Master Plan and ROW Manual		✓		
Acquire Land (from willing sellers)			✓	

*Communications, External Affairs, and General Project Activities subject areas serve a support function to the key deliverables provided in Table 1.

4. Revenue Budget

Revenue to be generated during the Amendment 3 Work Plan period is estimated at approximately \$142.9M, of which \$51.6M is anticipated to be generated in the first 12 months. This revenue will be generated from the following sources:

- **Amendment 2 carryover funds:** This revenue represents projected cash on hand as of January 1, 2022 and is available to advance the Project. Approximately \$3M in planned carry-over funds were built into the Amendment 2 cash flow analysis. An additional \$2.5M was identified during the Amendment 2 Work Plan Update as additional revenue over plan.
- **Local Funding (Reservoir Committee cash calls):** These are individual agency cash call invoices based on member agencies' level of water supply participation in terms of dollars per acre foot (\$/AF) of participation. This work plan assumes a total cash call revenue of up to \$400/AF at full participation of 167,620 acre-feet (up to ~\$67M total). Reservoir Committee cash calls will be broken into three cash call invoices based on cash flow projections as outlined in Section 6 and depending on actual annual budgets approved by the RC/AB.
- **Authority Board annual seat dues:** Each Authority Board member pays membership dues annually. The work period includes the estimated membership dues for 2022, 2023, and 2024 at an annual rate of \$55,000 per Authority Board Member and \$5,000 per Associate Authority Board Member. It is assumed that Authority Board annual seat dues will not increase from annual membership dues paid in 2021.
- **State funding:** California provides revenue in the form of reimbursement through Prop 1 (WSIP) early funding. This funding is subject to the terms of the existing Early Funding Agreement (EFA) and is currently capped at \$40.8M. The State reimburses 50 percent of eligible activities in arrears. The current EFA is set to expire prior to the Amendment 3 Work Plan period, and an EFA Extension Amendment is expected to be adopted prior to the start of the work plan. EFA funding is expected to reach its ceiling amount of \$40.8M and thus be exhausted within the first year of the Amendment 3 Work Plan. Prop 1 WSIP EFA funds forecasted in the Amendment 3 Work Plan are contracted amounts and carry a high certainty of being actualized, assuming the local cost share is achieved.
- **Federal funding:** Federal participation is assumed to continue through the Water Infrastructure Improvements for the Nation (WIIN) Act. Projected federal funding is currently in several stages of allocation. Federal funding allocations fall into one of three categories:
 - **Recommended by Reclamation:** Bureau of Reclamation (Reclamation) staff have provided funding recommendations to U.S. Congress.
 - **Appropriated by Congress:** U.S. Congress has appropriated federal funding to allow Reclamation to pursue contract agreements with identified projects.
 - **Contracted with Reclamation:** Reclamation enters agreements with the Authority for specific work to be performed.

The following table outlines the status of projected future federal funding as of the report date:

Table 2. Federal Funding by Category	
FAA Category	Funding
Recommended by Reclamation	\$80.0M
Appropriated by U.S. Congress	\$13.7M
Contracted with Reclamation*	\$0
Total Federal Funding Possible	\$93.7M

**The current contracted funding under the existing Financial Assistance Agreement (FAA) is set to be exhausted prior to December 31, 2021.*

Future federal funding discussions are still in process; therefore, an estimate was used to capture this funding source. This work plan assumes \$50M will be realized and paid in arrears over the 36-month work plan. Any additional funds received will be addressed during the October 2022 cash call check-in period and will include an analysis of future cash call amounts.

Table 3. Forecasted Revenue by Source				
Work Plan Funding Source	2022	2023	2024	Amendment 3 Total
Carry-over Funds (Projected 1/1/2022)	\$6,000,000	--	--	\$6,000,000
Reservoir Committee Cash Calls	\$16,762,000	\$23,467,000	\$26,819,000	\$67,048,000
Authority Board Seats	\$505,000	\$505,000	\$505,000	\$1,515,000
Federal (WIIN Act) Funding	\$10,000,000	\$20,000,000	\$20,000,000	\$50,000,000
State (Prop 1 [WSIP])	\$18,300,000	--	--	\$18,300,000
Total Revenue	\$51,567,000	\$43,972,000	\$47,324,000	\$142,863,000

Forecasted revenue provided in Table 3 represents estimated funds based on the best available data. In the event of a discrepancy between revenue budgets provided in Table 3 and annual revenue budgets, the annual revenue budgets will govern over work plan estimates.

5. Expense Budget

Estimated costs for a 36-month work plan period were developed by Sites staff and loaded into the Project master schedule. Preliminary costs, rolled up to the subject-area level, are shown in Table 4 and on Figure 2. Figure 3 shows expense budgets by management type. The attached table, Attachment A, includes information on Authority Board and Reservoir Committee share of expenses.

Table 4. Budgets by Subject Area				
Subject Area	2022	2023	2024	Amendment 3 Total
Communications	\$477,000	\$477,000	\$495,000	\$1,449,000
Engineering	\$18,715,000	\$30,516,000	\$20,485,000	\$69,716,000
External Affairs	\$273,000	\$273,000	\$282,000	\$828,000
General Project Activities	\$620,000	\$545,000	\$565,000	\$1,730,000
Permitting	\$7,503,000	\$4,731,000	\$2,595,000	\$14,829,000
Planning	\$5,092,000	\$1,212,000	\$278,000	\$6,582,000
Program Operations (Ops)	\$8,594,000	\$7,440,000	\$5,690,000	\$21,724,000
Real Estate	\$902,000	\$903,000	\$935,000	\$2,740,000
Total	\$42,176,000	\$46,097,000	\$31,325,000	\$119,598,000

Budgets provided in Table 4 represent an estimated distribution of expenses based on the best available data. In the event of a discrepancy between expense budgets provided in Table 4 and annual expense budgets outlined in consultant task orders, the annual expense budgets will govern.

A summary of work plan expenses will be included, at the same level of detail as Table 4, as an exhibit in the Amendment 3 Successor Agreement. Consultant task order budgets will be finalized and presented for approval at the November 2021 Board meetings.

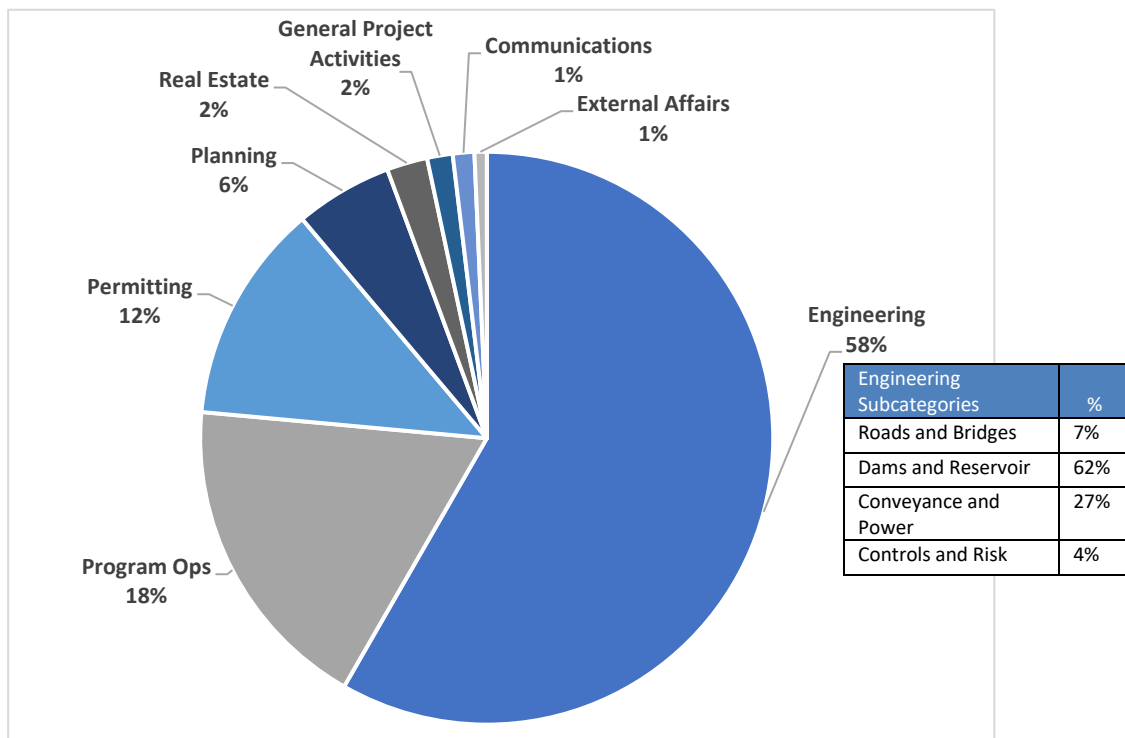


FIGURE 2. BUDGET PERCENT BY SUBJECT AREA

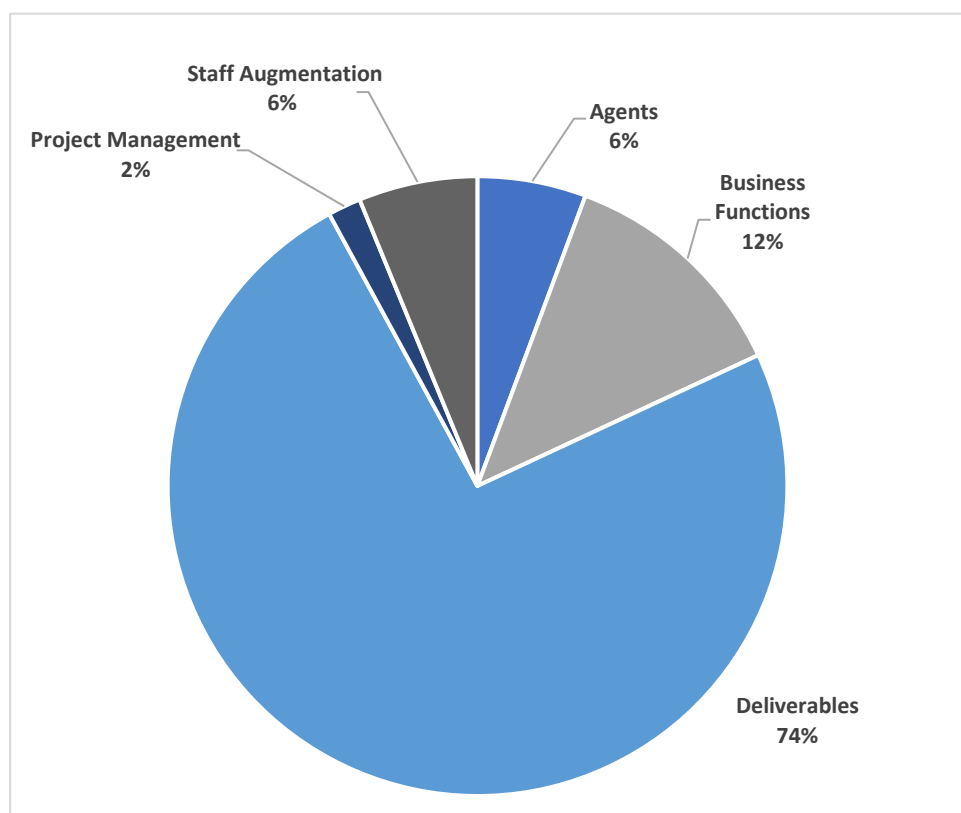


FIGURE 3. BUDGET BY MANAGEMENT TYPE VS. DELIVERABLES

6. Work Plan Cash Flow

The schedule was used to create a cash flow and determine the required timing of cash calls from the Reservoir Committee. A preliminary cash call schedule has been developed to maintain a cash-positive position and avoid Project delays. Cash call invoices totaling up to \$400/ AF will occur as follows:

- \$100/AF, invoiced April 1, 2022
- Up to \$140/AF, invoiced January 1, 2023
- Up to \$160/AF, invoiced January 1, 2024

The second and third cash call amounts are estimated based on the Project schedule, revenue estimates, and anticipated effort. During cash call check-ins, the Sites team will assess actual work plan progress against forecasted progress and determine the next cash call required to maintain progress in achieving the work plan goals and objectives. An initial work plan cash flow graph is included on Figure 4.

To minimize impacts to the projected cash flow should unforeseen expenses or events arise, the Sites Reservoir Project has established reserve funds. Reserve funds are incorporated in the cash flow curve below. There are two categories of reserves:

- **Restricted Reserves:** Funds intended to cover approximately three months of operations and functions needed to fulfill project obligations. Restricted reserves are a function of cash on hand and are not a dedicated sum of money. Project activities included in determining restricted reserve amounts are estimated to require approximately \$1.25M in monthly expenses. To maintain three months of restricted reserves, the Project must maintain a minimum of \$3.75M cash on hand. Approval by the Reservoir Committee and Authority Board is required to use any amount of restricted reserves.
- **Unrestricted Reserves:** Funds intended to cover unanticipated project expenses, including additional scope of work. Unrestricted reserves are unallocated expenses assigned to each subject area for use according to the Budget Policy, as approved at the July 2021 Reservoir Committee and Authority Board meetings.

Unused reserve funds will be evaluated during work plan cash call check-ins. Excess funds will be considered when determining the upcoming cash call amount.



FIGURE 4. AMENDMENT 3 CASH FLOW GRAPH, REVENUE VS EXPENSES

Attachment A - Amendment 3 Budget by Subject Area and Firm

Subject Area / Firm	Authority Board	Reservoir Committee	Work Plan Budget
Communications	\$166,500	\$1,282,500	\$1,449,000
Katz & Associates	\$162,000	\$1,134,000	\$1,296,000
Other	\$4,500	\$4,500	\$9,000
Unrestricted Reserves		\$144,000	\$144,000
Engineering		\$69,715,520	\$69,715,520
AECOM		\$16,026,250	\$16,026,250
Brown & Caldwell		\$14,580	\$14,580
CH2M (Conveyance)		\$11,535,750	\$11,535,750
Fugro		\$25,200,000	\$25,200,000
HDR		\$1,817,388	\$1,817,388
Other		\$8,900,000	\$8,900,000
Unrestricted Reserves		\$6,221,552	\$6,221,552
External Affairs	\$414,000	\$414,000	\$828,000
Dunn	\$144,000	\$144,000	\$288,000
The Ferguson Group	\$270,000	\$270,000	\$540,000
General Project Activities	\$394,560	\$1,335,360	\$1,729,920
ACWA	\$79,200		\$79,200
Board Clerk	\$45,360	\$181,440	\$226,800
HDR		\$724,428	\$724,428
Other		\$51,000	\$51,000
Unrestricted Reserves		\$108,492	\$108,492
Young Wooldridge	\$270,000	\$270,000	\$540,000
Permitting		\$14,829,108	\$14,829,108
AECOM		\$98,344	\$98,344
CH2M (Conveyance)		\$98,344	\$98,344
CH2M (Operations)		\$655,560	\$655,560
Fugro		\$40,500	\$40,500
HDR		\$1,863,285	\$1,863,285
ICF Permitting		\$7,089,417	\$7,089,417
MBK Engineers		\$720,000	\$720,000
Other		\$1,089,720	\$1,089,720
Perkins Coie		\$675,000	\$675,000
Unrestricted Reserves		\$1,373,939	\$1,373,939
Water Rights Attorney		\$1,125,000	\$1,125,000
Planning		\$6,581,694	\$6,581,694
AECOM		\$112,500	\$112,500
CH2M (Conveyance)		\$112,500	\$112,500
CH2M (Operations)		\$2,597,022	\$2,597,022
HDR		\$1,201,153	\$1,201,153
ICF Permitting		\$1,441,350	\$1,441,350
MBK Engineers		\$90,000	\$90,000
Perkins Coie		\$369,000	\$369,000
Unrestricted Reserves		\$658,169	\$658,169
Program Ops	\$274,050	\$21,450,230	\$21,724,280
Auditor		\$30,000	\$30,000
Authority Agents		\$6,205,360	\$6,205,360
Brown & Caldwell		\$9,568,404	\$9,568,404
HDR		\$2,221,524	\$2,221,524
K-Coe Isom	\$37,800	\$151,200	\$189,000
Montague DeRose & Assoc		\$787,500	\$787,500
Other		\$200,000	\$200,000
Stradling, Yocca, Carlson & Rauth		\$540,000	\$540,000

Subject Area / Firm	Authority Board	Reservoir Committee	Work Plan Budget
The Ferguson Group	\$11,250	\$11,250	\$22,500
Unrestricted Reserves		\$1,509,992	\$1,509,992
Young Wooldridge	\$225,000	\$225,000	\$450,000
Real Estate	\$262,990	\$2,476,510	\$2,739,500
HDR		\$1,555,200	\$1,555,200
Other	\$262,990	\$748,510	\$1,011,500
Unallocated		\$172,800	\$172,800
Grand Total	\$1,512,100	\$118,084,922	\$119,597,022

Project Accomplishments Completed under Second Amendment

Accomplishments of the Sites Project during Amendment 2 (June 2020 to December 2021)
<ul style="list-style-type: none">• A new Class 4 cost estimate of \$3.9 billion (2021 Dollars), based on a 10% level of design, was approved by the Reservoir Committee and the Sites JPA Board,• Completed additional geotechnical investigations to better understand certain area foundation conditions and refine the Project cost estimate,• Released a Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement because of changes to the Project and in compliance with state and federal regulations,• Updated modeling to reflect the assumption of south of Delta deliveries during the July through November transfer window,• Advanced key permit applications with state and federal agencies, including submittal of the State Incidental Take Permit application for Project construction activities,• Approval of the Sites Storage Policy, now referred to as the Principles of Storage, which better defines storage benefits to project participants and has been used to establish guiding principles and preliminary terms to guide development of the contract between the JPA and participants,• Approval of a Draft Plan of Finance, which provides the JPA and Reservoir Committee with the project financing team's current recommendations regarding critical path activities and key credit structuring components, and• Completed Prop 1 Feasibility Report Requirements to remain eligible for \$836 million award with the California Water Commission determination of Project feasibility on December 15, 2021,• Reclamation completed and submitted the Federal Feasibility Report to Congress for the Project, indicating the potential for up to 25% investment,• Securing an additional \$13.7 million in Congressional appropriations and a recent appropriation of \$80 million from the WIIN Act, bringing the total to \$104.1 million,• Completed the Initial Project Operations Plan (Version1.0) providing additional detail on Project Operations.
Objectives for Work to be Performed under Amendment 3 (January 2022-December 2024)
<ul style="list-style-type: none">• Securing commitments for project funding,• Developing final operations agreements and water supply and storage services contracts (now called Benefits and Obligations Contracts),• Completing the final EIR/EIS and obtain all key environmental permits needed for final WSIP award,• Securing the water right Order and Permit from the SWRCB,• Complete engineering design to 30% level and update cost estimates,• Perform geotechnical evaluations,• Determine the organizational structure.



Sites Reservoir Project: Third Amendment to 2019 Reservoir Project Agreement

Water Storage Exploratory Committee, March 7, 2022

Sites Reservoir Project

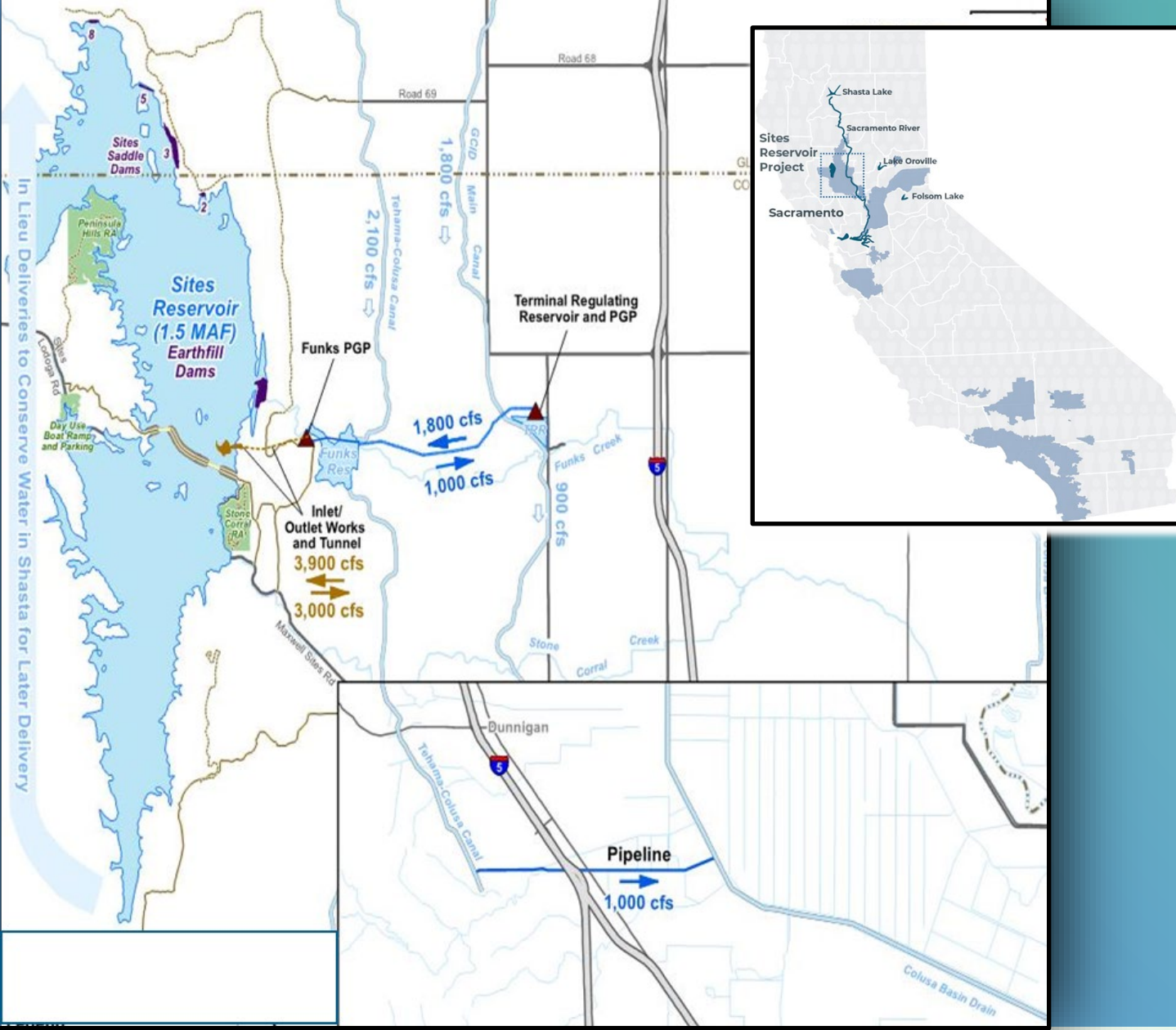
Location: Colusa and Glenn Counties

Size: 1.5 million acre-foot (AF)

Estimated Annual Yield:

- 230,000 AF (average)
- 450,000 AF (dry year)
- 340,000 AF (critical year)

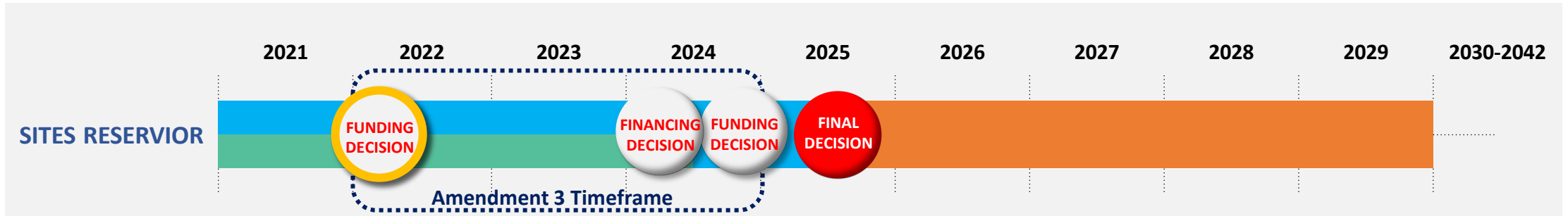
Total Project Cost (2021 Dollars):
\$3.9 Billion



Request to fund continued work activities

Total planned expense of \$119.6 M (CY 2022 through CY 2024)

- \$67 million requested from Reservoir Committee members



Key items in Amendment 3 Work Plan

- Secure project funding commitments
- Secure water rights & environmental permitting
- 30% Design

Project Agreement Participation

Currently fully subscribed

23 existing participants

5 new participant requests for 30,000 AF of yield

Staff Summary

Maintain participation level of 0.2%

- ~3 TAF storage, 0.5 TAF yield
- Potential to increase in future if others drop out

Rationale

- Timing for Sites final decision
- Preserving options
- Evolving climate change analysis
- Minimal financial investment
- No impact to water rates

Recommendations

- A. Receive and discuss updated information
- B. Recommend the Board authorize execution of Third Amendment to 2019 Reservoir Project Agreement at a 0.2% participation level - \$200,000 cost, and appoint Reservoir Committee representatives

QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 22-0328

Agenda Date: 3/7/2022

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Standing Items.

RECOMMENDATION:

- A. This agenda item allows the Committee to receive verbal or written updates and discuss the projects noted in the agenda memo summary. These items are generally informational; however, the Committee may request additional information from staff:
- B. This is informational only and no action is required.

SUMMARY:

Standing Items will allow regular reports from staff on subjects that may be of interest to the committee members.

Staff may provide a verbal update at the 3-7-2022, meeting if there is reportable/updated information.

- 1. Update on Los Vaqueros Reservoir Expansion Project (LVE) Transfer Bethany Pipeline (TBP) and Update on Management of South Bay Aqueduct (SBA) Facilities
(Verbal Update)
- 2. Del Puerto (Verbal Update)
- 3. Water Banking Opportunities including but not limited to Pleasant Valley Water District
(Verbal Update)
- 4. Pacheco/San Luis Reservoir Low Point (Verbal Update)
- 5. Semitropic (Verbal Update)
- 6. Sites (separate agenda item)
- 7. B.F. Sisk Dam Raise Project (Verbal Update)
- 8. Shasta (No Update)

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



Santa Clara Valley Water District

File No.: 22-0329

Agenda Date: 3/7/2022

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda.

RECOMMENDATION:

Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The Committee's Work Plan outlines the Board-approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendaized at each meeting as accomplishments are updated and to review any work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or committees by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ATTACHMENTS:

Attachment 1: 2022 WSEC Work Plan

File No.: 22-0329

Agenda Date: 3/7/2022
Item No.: 4.3.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2022 Work Plan: Water Storage Exploratory Committee

Update: February 2022

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting Valley Water occur and are recommended for committee discussion.

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
1	<p>Standing Items:</p> <ol style="list-style-type: none"> 1. Update on Los Vaqueros Reservoir Expansion Project (LVE) Transfer Bethany Pipeline (TBP) and Update on Management of South Bay Aqueduct (SBA) Facilities 2. Del Puerto 3. Water Banking Opportunities including but not limited to Pleasant Valley Water District 4. Pacheco/ San Luis Reservoir Low Point 5. Semitropic 6. Sites 7. B.F. Sisk Dam Raise Project 8. Shasta 	<p>1-27-2022 3-7-2022</p>	<ul style="list-style-type: none"> • Receive quarterly reports on standing items. (Information) 	<p>Accomplished January 27, 2022: The Committee received reports on the following projects: GROUNDWATER BANK UPDATE: reported on by Ms. Cindy Kao McMullin GSA Groundwater Bank:</p> <ul style="list-style-type: none"> • McMullin is continuing to develop a joint EIR/EIS and updating a Feasibility Study (expanding and revising it as part of the USBR approval process for CVP Banks) environmental review work and early design of the project facilities • McMullin is working on developing a funding and participation agreement. • VW staff is working to secure additional information about project costs, milestones, and timeline. • DWR's comments on the McMullin GSP which, if not already released, will be released on January 28th. Imported Water Unit staff will be reviewing <p>AVEK Groundwater Bank:</p> <ul style="list-style-type: none"> • We've worked with them to develop a draft Pilot Banking Agreement - to test the feasibility of the bank for us and understand any administrative challenges that may arise.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

Page 1 of 5

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<ul style="list-style-type: none"> The intent is to allow us to put down a small amount of water (flexibility for up to 15,000 AF) <p>The intent is to effectively test the ability to return the water and secure the necessary agreements with DWR. And to test the ability of AVEK will store “banked” water in San Luis Reservoir on behalf of Valley Water for direct recovery</p> <p><u>PACHECO RESERVOIR EXPANSION</u> <u>PROJECT UPDATE:</u> reported on by <u>Mr. Ryan McCarter</u></p> <ul style="list-style-type: none"> Draft EIR is out for public comments until February 15, 2022, then staff will compile comments for final EIR 2nd Phase field investigation gather additional data for the power transmission line and access at dam site, working with Division of Safety of Dams (DSOD) for work-plan get buy-in on the Phase 2 geotechnical investigation Correspondence with the DSOD on the dam type, had question on the heart fill may be long road to get approved and permitted so considering switching to the earth fill site upstream site, looking at alternative analysis and will go over this information at the February 16, 2022, meeting WIFIA application working on submitting April 2022

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

Page 2 of 5

2022 Work Plan: Water Storage Exploratory Committee

Update: February 2022

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<ul style="list-style-type: none"> Potential partnership opportunities and discussions are ongoing, the consultant team is on board Pacheco Pass Water District (PPWD) meeting held January 25, 2022, Board Members: Ryan Bergamini, Mark Tobias, Shawn Bourdet, Garrett Haertel and Scott Rossi. PPWD planning on moving forward with the spillway repair <p>SITES: reported on by Ms. Cindy Kao</p> <ul style="list-style-type: none"> In December, the California Water Commission voted in favor of the feasibility of the Sites project, which keeps the project eligible for \$800M in WSIP funding The project is up for the next phase of funding and we are being asked to consider executing an amendment to the existing agreement that would cover funding for the next 3 years. Staff is analyzing the current status of the project - (benefits, costs, and financial information) Current Participants are being asked to seek approval to continue funding by the end of March We are hoping to bring our recommendation to the next meeting of this committee before going to the full board in March. <p><u>B.F. SISK DAM RAISE PROJECT:</u> reported on by Ms. Cindy Kao</p> <ul style="list-style-type: none"> Valley Water Staff is coordinating with the San Luis & Delta-Mendota Water

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2022 Work Plan: Water Storage Exploratory Committee

Update: February 2022

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<p>Authority (SLDMWA) on developing the project description and cost sharing consideration. We have been told that a cost share agreement is expected to be developed this spring. The SLDMWA voted to hire a project manager to move the project forward more efficiently.</p> <ul style="list-style-type: none"> Staff thanked and gave credit to Valley Water partner, Mr. Jeff Cattaneo, District Manager-District Engineer of San Benito County Water District for his idea and key driver for the hiring of the project manager. <p><u>SEMITROPIC:</u> reported on by Ms. Cindy Kao</p> <ul style="list-style-type: none"> Through December, VW recovered approximately 35,959 acre-feet from Semitropic VW currently has roughly 297,208 AF in storage (~85% full) Imported Water Unit staff will be reviewing DWR's comments on the Semitropic and Kern Subbasin GSPs which, if not already released, will be released on January 28th. <p>The Water Storage Exploratory Committee took no action</p>
2	Update on Los Vaqueros Reservoir Expansion Project:	1-27-2022	<ul style="list-style-type: none"> Receive Update on Los Vaqueros Reservoir Expansion Project 	<p>Accomplished January 27, 2022:</p> <p>The Committee received an update on the Los Vaqueros Reservoir Expansion Project and took no action.</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2022 Work Plan: Water Storage Exploratory Committee

Update: February 2022

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
3	Review of 2022 Water Storage Exploratory Committee Work Plan	1-27-2022 3-7-2022	<ul style="list-style-type: none"> Review the Committee's 2022 Work Plan. 	Accomplished January 27, 2022: The Committee reviewed the work plan and added a discussion on agricultural water needs.
4	Update on Sites Reservoir Project: Third Amendment to 2019 Reservoir Project	3-7-2022	<ul style="list-style-type: none"> Receive an update on the Sites Reservoir Project. 	
5	Cadiz, Inc.	TBD	<ul style="list-style-type: none"> Cadiz, Inc Water Project Presentation 	
6	Discussion on the Agricultural Water Needs	TBD	<ul style="list-style-type: none"> Discussion on the agricultural water needs, 	
7	Groundwater Bank Update	TBD	<ul style="list-style-type: none"> Receive and discuss information regarding potential groundwater storage projects 	
8	Pacheco Reservoir Expansion Project Update (San Luis Reservoir Low Point Projects)	TBD	<ul style="list-style-type: none"> Receive and discuss information regarding the status of Pacheco Reservoir Expansion Project (San Luis Reservoir Low Point Projects) 	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 5 of 5

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