

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Engineering Workshop
Agenda
April 11, 2016 at 4:00 p.m.

- 1. Call to Order, Flag Salute and Roll Call**
- 2. Public Comment:**
Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.
- 3. Further Discussion of Bunker Hill Conjunctive Use Project**
- 4. Review and Discussion of Water Supply Issues Discussed at Regional Water Alliance Meeting* (Page 2)**
- 5. Discussion of Sites Reservoir* (Page 5)**
- 6. Announcements**
 - A. Regular Board Meeting, April 18, 2016 at 7:00 p.m.
 - B. Finance and Budget Workshop, April 25, 2016 at 4:00 p.m.
 - C. San Gorgonio Pass Regional Water Alliance, April 27, 2016
 1. Business Meeting at 5:00 pm – Banning City Hall Conference Room
 2. Presentation at 6:00 pm – Banning City Council Chambers
- 7. Adjournment**

***Information included in Agenda Packet**

(1) Materials related to an Item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for Public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.sgpwa.com>." (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

MEMORANDUM

TO: Board of Directors
FROM: Mary Ann Melleby
Agency Representative, San Gorgonio Pass Regional Water Alliance
RE: Discussion on Regional Water Resource Issues, Goals and Needs
DATE: April 11, 2016

Background:

The San Gorgonio Pass Regional Water Alliance was founded on November 6, 2012, by action of the Riverside County Board of Supervisors upon recommendation by Fifth District Supervisor Marion Ashley, a Pass Water Policy Panel, comprised of representatives of the San Gorgonio Pass Area, was created to identify challenges in water supply and water quality in the region.

The group was charged “to develop mutually beneficial solutions that include coordinating plans and infrastructure development that ultimately delivers clean, reliable and affordable water supplies for the citizens of the San Gorgonio Pass for the foreseeable future.”

Over the following months, representatives from the participating agencies were appointed and monthly meetings were established. The name of the group was determined to be the San Gorgonio Pass Regional Water Alliance. A Memorandum of Understanding was developed and signed by the member agencies in March 2014. Several committees were formed: administrative and technical. The Technical Committee created three sub-committees – Messaging, Recycled Water and Water Conservation.

Monthly meetings include presentations on local, regional and state water issues, committee reports and individual agency presentations and updates. Topics have included California Water Plan Update, Integrated Regional Water Management Plans, Urban Water Management Plans, water conservation programs, 2014 water bond, storm water resources, salinity management, State Water Project, and drought conditions presented by a representative of the California Department of Water Resources.

At the February 2016 meeting, each representative was asked to state his/her opinion on the greatest water resource needs of the region. (See attached list). The main categories identified were:

- Stable Water Supply
- Cost of Water
- Cooperation Among Agencies
- Equitable Allocation Plan
- Grants for Capital Improvements
- Drought Conditions
- Sustainable Groundwater Act
- Conservation

After prioritizing the list, the top two needs were identified as Stable Water Supply and Cooperation Among Agencies.

At the March 2016 meeting the group discussed Stable Water Supply and the sub-categories of that topic that were identified at the February meeting and were asked to place “dollars” provided toward the categories they deemed that were in most need.

	Round 1	Round 2
• Obtain as much Table A water as possible	\$26.0 Million	\$ 8.0 Million
• Recycle Water	\$ 3.0 Million	\$ 7.0 Million
• Long Term Reliability and Sustainability	\$16.0 Million	\$27.0 Million
• Urban Management	\$ 0.00	\$ 0.00
• New Development	\$ 4.0 Million	\$ 4.0 Million
• Will Serve Letters	\$ 0.00	\$ 0.00
• New Water	\$ 6.0 Million	\$ 9.0 Million

Winner: Long Term Reliability and Sustainability

The representatives were asked to talk with their respective boards about their views on what long term reliability and sustainability means and how to achieve it. This topic will be discussed at the Engineering Workshop.

SAN GORGONIO REGIONAL WATER ALLIANCE

REGIONAL NEEDS:

1. STABLE WATER SUPPLY
 - A. OBTAIN AS MUCH TABLE A WATER AS POSSIBLE
 - B. RECYCLE WATER
 - C. LONG TERM RELIABILITY AND SUSTAINABILITY
 - D. URBAN MANAGEMENT
 - E. NEW DEVELOPMENT
 - F. WILL SERVE LETTERS
 - G. NEW WATER
2. COST OF WATER
 - A. AFFORDABILITY
 - B. CAPACITY
 - C. IMPACT FEES
 - D. NEW DEVELOPMENT
 - E. WHO PAYS
3. COOPERATION AMONG AGENCIES
 - A. MORE INFORMATION SHARING
 - B. INTERAGENCY, INTERNALLY, PUBLIC
 - C. ONGOING AGENDA ITEM
4. EQUITABLE ALLOCATION PLAN
5. GRANTS FOR CAPITAL IMPROVEMENTS
6. DROUGHT CONDITIONS
7. SUSTAINABLE GROUNDWATER ACT
8. CONSERVATION
9. COST OF WATER

MISCELLANEOUS NEEDS:

1. FLUME REHAB AND FUNCTION
2. PERCEPTION CORRECTION (PUBLIC)
 - A. RENTERS PERCEPTION OF WHO OWNS WATER
3. LEGAL LOOPHOLES TO PREVENT SHUTTING OFF WATER –NON PAYERS

Why Sites Reservoir?

If Sites operated in 2015

With drought conditions, water available to increase storage:

<u>Reservoir</u>	<u>Storage (acre-ft.)</u>	<u>Percent increase</u>	
Shasta	240,000	12.1	} <i>Indirect Benefits</i>
Oroville	105,000	7.1	
Folsom	37,000	9.6	
Trinity	79,000	8.5	
<u>Sites</u>	<u>660,000 (*)</u>		← <i>Direct Benefit</i>
Total	1,121,000	23.4	

While meeting the existing water quality and flow obligations of the CVP & SWP

() This water is independent of CVP & SWP water contracts*

Why Sites Reservoir?

If Sites operated in 2016

California NEEDS Sites Reservoir

If constructed, Sites would already have captured some **448,000** acre-feet of water this year

That's **146 billion** gallons of water

Source: CA Department of Water Resources

Water Supply Benefits: **South of Delta**

Summary:

- ✓ Improves the Delta’s ecology to
 - (a) help address SWRCB concerns
 - (b) Increase exports & facilitate through-Delta transfers
- ✓ Another source of water – Independent of CVP & SWP contracts
- ✓ Integrate Shasta releases (e.g. for cold water pool)
Releases stored for later release during export window
- ✓ CVP San Luis Unit:
 - (a) Increased supplies
 - (b) Reduce dependence on groundwater and help to mitigate the impacts of SGMA
- ✓ Interruptible Water (CVP Section 215 & SWP Article 21):
Could extend the duration (i.e. shoulder-loading)
- ✓ Refuge Water

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Investing Now vs. Later:

<u>Topic</u>	<u>Now:</u>	<u>Later: (after Phase 1)</u>
a. Water Supply: Cost/acre-ft.	<i>Secure a 1st right w/ ability to acquire more.</i> Is the <u>same for all Members</u>	<i>Acquire water <u>only if a Member elects to reduce their amount.</u></i> <i>Increased cost to buy-in, which is based on time value of investment and project's 'stock value'.</i>
b. Operations & Public Benefits	<i>Able to shape & define how much water to make available for Public Benefits & contract Terms vs. for water supply</i>	<i>Little to no ability to change. Final operations will be 'run' to validate benefits & allocation and to fulfill CEQA/NEPA and ESA requirements</i>
c. Water Commission	<i>Able to help ensure the process results in the least cost/acre-ft. with appropriate risk allocation</i>	<i>None. Details will have already been defined and converted into regulations.</i>
d. Contracts vs. permit conditions	<i>Able to define contract terms & conditions with DFW, SWRCB, & DWR vs. what will become permit conditions</i>	<i>None. Details will have already been defined and converted into contract language</i>
e. Project's scope, schedule, cost & Risk allocation	<i>Able to shape the project requirements & how risks are allocated and managed</i>	<i>None. Will have to accept the project requirements as a condition of becoming a Member</i>

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Surface Storage Investigations

North-of-the-Delta Offstream Storage Investigation

[FAQs: The Drought and Sites Reservoir](#)

[FAQ: Sites Reservoir Diversion](#)

2014 NODOS Documents



The California Department of Water Resources and the U.S. Bureau of Reclamation, working in cooperation with other federal, state, and local agencies, are studying the potential feasibility of alternative plans to build an offstream surface storage north of the Sacramento-San Joaquin Delta as part of the North-of-the-Delta Offstream Storage (NODOS) Investigation.

NODOS would provide a robust set of benefits, including water supply reliability for municipal and industrial uses, agriculture, and wildlife refuges; ecosystem enhancement actions to improve fish survival in major northern California rivers and the Sacramento-San Joaquin Delta (Delta); water quality improvements for Delta water users and estuarine species; flexible hydropower generation to support renewable energy sources such as wind and solar; recreation opportunities at the new reservoir and improved recreation at existing reservoirs; and local flood damage reduction below the new reservoir. Total water supply benefits of NODOS would be up to 500 thousand acre-feet (TAF) per year on average and over 600 TAF per year during dry and critical years.

The mix of NODOS benefits would also support improved flexibility and long-term viability of the Central Valley Project (CVP) and State Water Project (SWP). As the current drought is showing, flexibility of these projects is impaired during multiple dry years or droughts. In addition to providing the benefits described above, NODOS would improve CVP and SWP flexibility by increasing water in storage, including during drought conditions. Average annual improved storage would be up to 1.4 million acre-feet (MAF); annual drought period storage would be improved by up to 1.1 MAF.

The potential environmental effects of constructing and operating NODOS are evaluated and potential mitigation measures

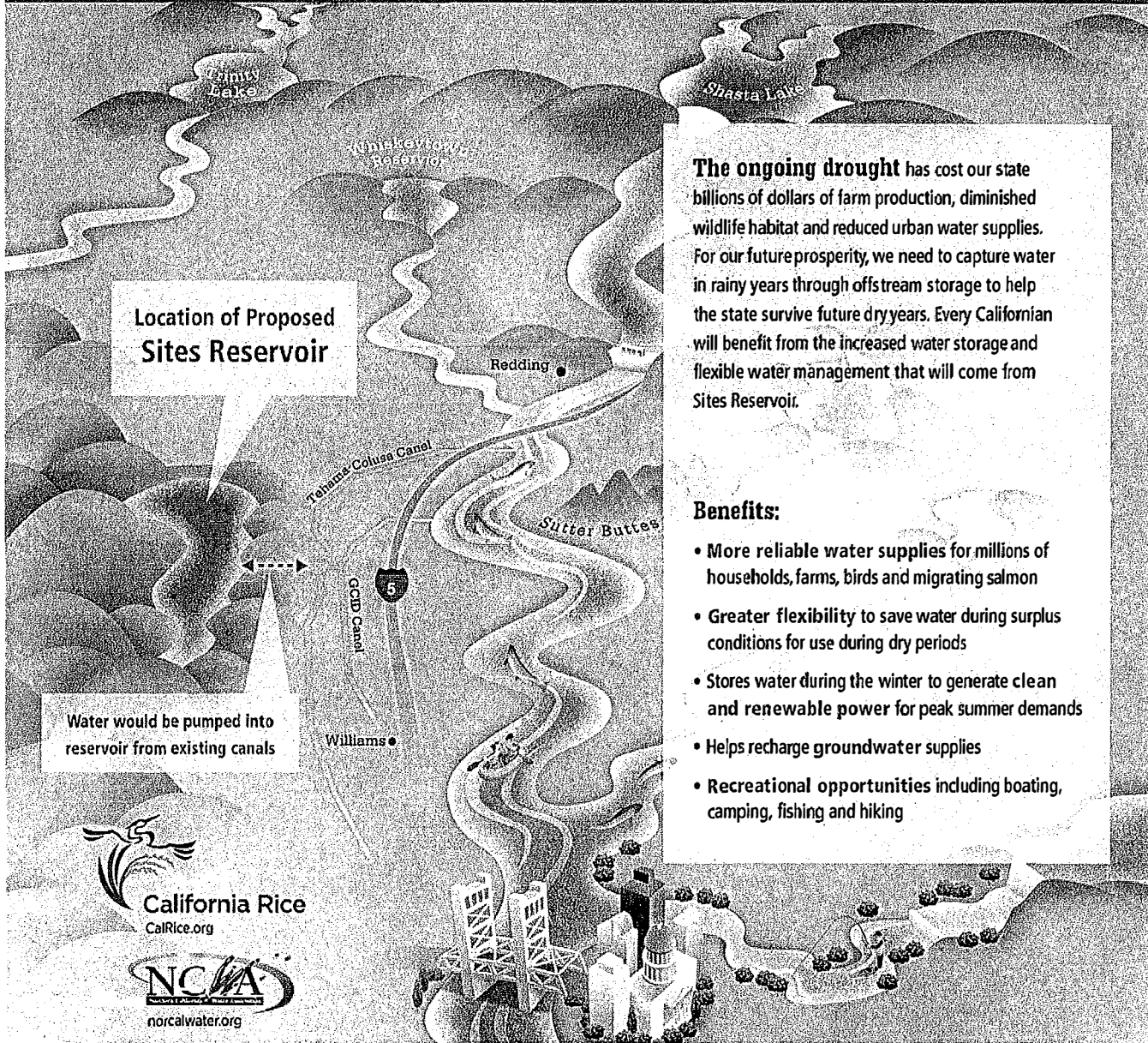
are described in the NODOS Preliminary Administrative Draft Environmental Impact Report. The preliminary benefits and costs are presented in the NODOS Preliminary Design and Cost Estimate Report.

NODOS DOCUMENTS

- » [Investigation Highlights. May 2014](#)
- » [Preliminary Administrative Draft Environmental Impact Report - May 2014](#)
- » [Preliminary Engineering Design and Cost Estimate Report - May 2014](#)
- » [Progress Report on Feasibility Study - December 2013](#)
- » Sensitivity Analysis of Operations with the BDCP Technical Memorandum by Sites Project JPA (not yet available)
- » [CALFED Surface Storage Investigations Progress Report- November 2010](#)
- » [NODOS Plan Formulation Report - September 2008](#)
- » [NODOS Initial Alternatives Information Report - May 2006](#)
- » [Scoping Report - October 2002](#)

Building the Sites Reservoir

WATER FOR OUR CITIES, FARMS AND WILDLIFE



Location of Proposed Sites Reservoir

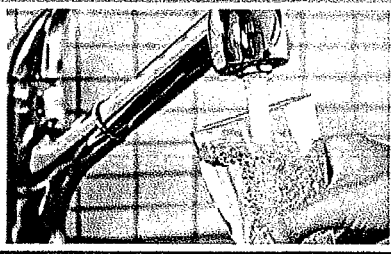
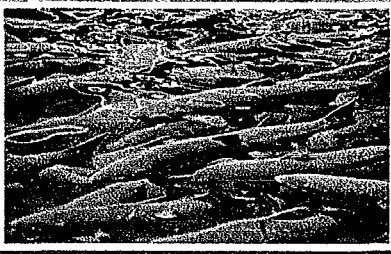
Water would be pumped into reservoir from existing canals

The ongoing drought has cost our state billions of dollars of farm production, diminished wildlife habitat and reduced urban water supplies. For our future prosperity, we need to capture water in rainy years through offstream storage to help the state survive future dry years. Every Californian will benefit from the increased water storage and flexible water management that will come from Sites Reservoir.

- Benefits:**
- More reliable water supplies for millions of households, farms, birds and migrating salmon
 - Greater flexibility to save water during surplus conditions for use during dry periods
 - Stores water during the winter to generate clean and renewable power for peak summer demands
 - Helps recharge groundwater supplies
 - Recreational opportunities including boating, camping, fishing and hiking



California Rice
CalRice.org





(http://www.norcalwater.org/wp-content/uploads/2014/09/Sites-91014.CRC_.jpg)

What is Sites Reservoir: Questions and Answers

What is the Sites Reservoir Project?

The Sites Reservoir, sometimes called North of the Delta Offstream Storage, would divert water from the Sacramento River and its tributaries through existing canals during high flow periods (i.e., December, January, and February) into an off-stream reservoir, so the water would be available for use later in the same year or stored across years for drier periods of time, such as this year.

Where is the Sites Reservoir?

The proposed project is located in the Antelope Valley of the Coast Range, on rangeland approximately 10 miles west of Maxwell in Colusa County.

Who would benefit from the water?

All Californians. The water in Sites Reservoir will be managed so that every drop in the Sacramento Valley will serve multiple uses. For example, water released from the reservoirs in Northern California serves triple duty—as cold water for salmon rearing in the upper reaches of the rivers, to grow crops in the valley and to provide significant wildlife habitat for millions of birds along the Pacific Flyway. Additionally, a significant portion of water released for salmon would also flow south to California's Bay-Delta, where water will provide salinity control and benefit fisheries and provide water supply for other water users throughout

How much water would the project store for later use?

The total amount of water that can be held in the project would be between 1.2 million acre-feet and 1.8 million acre-feet depending upon which project alternative is selected. For context, Folsom Reservoir near Sacramento holds nearly 1 million acre-feet. With respect to use, 1.8 million acre-feet is enough water to meet the needs of up to 3.6 million households or 14.4 million residents for one year.

How much water could the project provide during the year?

From the water stored in the project, the total amount that would be available for use is about 500,000 acre-feet each year. For example, in 2014, during this very dry year, 500,000 acre-feet of additional water would have been available in Northern California to help meet cold water and streamflow requirements, improve delta water quality and flow, and provide water supply to users throughout California.

Would Sites Reservoir be integrated with other water supplies in Northern California?

Yes, Sites Reservoir would provide added benefit in the way it can coordinate with other reservoirs in the Sacramento Valley (including Shasta Reservoir, Oroville Reservoir and Folsom Reservoir) to hold and release water. These coordinated actions can increase the overall yields of the projects by up to 1 million acre-feet per year above what they currently produce. The addition of Sites reservoir to the state's water system would thereby increase the total water supply availability by up to 1.5 million acre-feet annually. As an example, through this integration, additional water could be stored in Folsom Reservoir for use in the Sacramento Metropolitan region.

Does Sites Reservoir provide public benefits?

Yes, up to half of the water produced by the project (e.g., 250,000 acre-feet each year) could be dedicated to provide public benefits as described in Proposition 1 on the November ballot, which includes: "ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta." The public benefits provided by the project could also include water quality improvements in the Bay-Delta or in other river systems, flood control, emergency response and recreation.

Is Sites Reservoir another "big dam" project?

No, Sites Reservoir is an off-stream reservoir, and that it will not be located on a river and it

will not impact fish or any wild and scenic rivers. The reservoir will fill the Antelope Valley—a natural bowl of dry rangeland along the Coast Range. The reservoir is part of an innovative 21st century water project, where water will be pumped up into the reservoir from existing canals that will contain water from the Sacramento River and its tributaries. To store this water, a series of relatively small dams will be built to fill in notches on the hillside surrounding the dry Antelope Valley. Sites reservoir will function as a large regulating reservoir, which allows both water and power to be stored during times of surplus so that the water and power can be used during times of need, such as this dry period. As an example, the infrastructure for Sites Reservoir would be very similar to the Los Vaqueros Reservoir and Watershed project that was built in the Bay Area and expanded in 2012.

Does Northern California support Sites Reservoir?

Yes, in 2010, a Joint Powers Authority (www.sitesjpa.net) (JPA) of public entities throughout Northern California was formed to manage the Sites Reservoir investigation and project. The Sites JPA members are the Counties of Colusa and Glenn and the public water agencies: Glenn-Colusa Irrigation District, Reclamation District No. 108, the Tehama-Colusa Canal Authority, Maxwell Irrigation District and Yolo County Flood Control and Water Conservation District. Elected officials in the region unanimously voted for Proposition 1 and there is strong bi-partisan support from the Congressional representatives in the region. The editorial boards of newspapers throughout the region have expressed support for Sites Reservoir.

With all the discussion around groundwater management in California, would Sites Reservoir benefit groundwater resources?

Yes, the operation of Sites reservoir could be integrated with groundwater management in the region, helping to recharge groundwater basins during wet periods so the groundwater resources in the region would be more sustainable and more reliable during dry periods when surface water is not available.

Will Sites Reservoir produce hydropower?

Yes, Sites Reservoir will be operated to pump water into the reservoir during the winter when energy demands are low. Water will then be released from the reservoir during the summer for irrigation and environmental benefits, which will also generate power during peak energy periods in California. This flexible power generation, which can quickly ramp up or down to support wind and solar generation, will provide net revenues to support the project and it will serve as a benefit to California's power system.

What would happen if Sites isn't constructed.

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Northern California and the entire state will continue to suffer from water shortages and severe cutbacks to cities and farms; yet, the environment will be severely impacted without new infrastructure. Sites Reservoir will not solve all the state's water problems, but it would make significant improvements in providing water security and significant flexibility for all these uses during dry periods.

For more detailed information, please contact the water resources managers involved in the project: Lewis Bair, 530.437.2221; Thad Bettner, 530.934.8881; or Jeff Sutton, 530.934.2125.

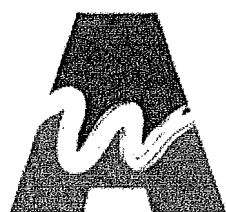
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« **Previous Post** (<http://www.norcalwater.org/2014/08/21/the-water-bond-deal-is-done-but-will-it-actually-improve-californias-water-system/>)

Next Post » (<http://www.norcalwater.org/2014/09/26/the-water-bond-proposition-1-questions-and-answers/>)



[\(http://www.calrice.org/\)](http://www.calrice.org/)



[\(http://aquaforia.com/\)](http://aquaforia.com/)

AQUAFORNIA

Latest from the Blog

APRIL 1, 2016

Recharging Groundwater in Yolo County (<http://www.norcalwater.org/2016/04/01/recharging-groundwater-in-yolo-county/>)

SITES RESERVIOR JOINT POWERS AUTHORITY

FINANCING, OPERATIONAL MODELING, AND OUTREACH ACTION PLAN

Guiding Principles of New Storage

New storage will only be viable if it's affordable to the beneficiaries investing in the project (including public benefits), can be constructed and operated in changing delta environmental and conveyance conditions, and is acceptable to local and regional stakeholders.

Role of the Joint Powers Authority

To pursue the viability of Sites Reservoir based on the above guiding principles and implement new storage consistent with Water Code Section 79749(a), and the California Water Bond which states:

"The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects."

Action Plan Components

Address Financing and Affordability

Addressing affordability to potential beneficiaries including both water supply and public benefits will be critical to success of the project. While agencies including DWR and USBR are investigating the project based on financial feasibility (does the value exceed the costs?), affordability will address whether beneficiaries have a "willingness to pay" based on the benefits, these approaches are fundamentally differed and critical to repayment of the project.

To address critical elements of affordability, the JPA will focus on the following items:

- Evaluating a new construction cost estimate to replace the current study which is a decade old.
- Expediting construction schedule and scheduling purchasing to minimize construction interest.
- Focusing on financial fundamentals of correlating water supply benefits and public benefits to project costs and allocation, i.e. "What will I get, and what will it cost me?"
- Examining public project investment options including local bonding or full project bonding?
- Analyzing repayment methods including annualized repayment, fluctuating payments based on deliveries, or initial principal payments.
- Coordination with the California Water Commission and the Water Bond Chapter 8 language to propose options for how the public benefits of the project could be funded?
- Valuing additional benefits that will accrue through operational flexibility?
- Develop a financial modeling tool to evaluate different funding and payment scenarios.

Address Operational Modeling Scenarios

Through the Administrative Draft Feasibility Report (FR) and Environmental Impact Report/ Environmental Impact Study, the Sites Reservoir (NODOS) project has been shown to be capable of providing multi-use benefits sufficient to be feasible from a design, construction, operations, economic and environmental standpoint. The question becomes how would the multi-use benefits of NODOS change if integrated with other programs such as the Bay Delta Conservation Plan (BDCP).

To date, the agencies have viewed BDCP and other programs as speculative and too uncertain to evaluate in the project alternatives, however, the JPA does not have this limitation when evaluating alternatives. This effort will examine BDCP and NODOS modeling and information and investigate a scenario that integrates elements of NODOS and BDCP together. The result would demonstrate how NODOS can provide multi-use benefits under existing conditions with no new conveyance as well as potentially identify new opportunities for the BDCP and NODOS projects.

Address Outreach to Stakeholders

The JPA is actively funding and coordinating with DWR and the Center for Collaborative Policy to focus outreach on local and regional stakeholders including the following:

- Landowners within the entire Project Footprint
- Colusa and Glenn Counties affected by road relocation, bridge, recreation areas, and tax base
- Sacramento Valley Region including other water districts, counties, IWRM groups
- Environmental Interests to discuss aquatic and terrestrial needs and objectives

A major benefit of the JPA conducting outreach is that it is not limited by state and federal concerns of the Sites project being pre-decisional prior to the completion of the environmental review process. The JPA can pursue the project that maximizes benefits at the lowest cost while keeping all interests equally informed. Additionally, this outreach effort will improve the content of the environmental documents to improve the formal public review process.

SITES PROJECT AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is made and entered into by and among Glenn-Colusa Irrigation District (GCID), Reclamation District 108 (RD 108), the Tehama-Colusa Canal Authority (TCCA), Maxwell Irrigation District (Maxwell), County of Glenn (Glenn County), County of Colusa (Colusa County), and Yolo County Flood Control and Water Conservation District (YCFCWCD) hereinafter "Members."

RECITALS

The Members are public entities located and operating in the Sacramento Valley, and are formed and operating under the laws of the State of California;

Congress and the State Legislature have declared that the Sacramento-San Joaquin Delta watershed and California's water infrastructure are in crisis and they have encouraged regional and local public agencies to form joint powers authorities to improve the operation of the state's water system;

Sites Reservoir (sometimes referred to as North of Delta Offstream Storage) has been identified by the State of California and the federal government as an important component of integrated water management in the Sacramento Valley that could advance the long-term co-equal objectives of improving water management and restoring ecological health for beneficial uses of the Sacramento-San Joaquin Delta and the Sacramento River watershed;

The principal purpose of this Agreement is to establish an independent special agency, known as the Sites Project Authority ("Authority"), that will have as its mission, to be a proponent and facilitator to design and potentially acquire, construct, manage, govern, and operate Sites Reservoir and related facilities; to improve the operation of the state's water system; and to provide a net improvement in ecosystem and water quality conditions in the Sacramento River system and the Delta;

Each Member is uniquely situated with respect to Sites Reservoir and the related facilities to help design, acquire, construct, manage, govern, and operate the project to provide local, regional, and statewide public benefits and improve the state's water system;

Certain Members executed the *Memorandum of Understanding Between the Department of Water Resources, the United States Bureau of Reclamation, the Western Power Administration, the California Department of Fish and Game, the United States Fish and Wildlife Service, the Glenn-Colusa Irrigation District, the Tehama-Colusa Canal Authority, and Other CalFed Agencies and Local Interests Pursuant to the Directive with Respect to Sites Reservoir Contained in the CalFed Bay-Delta Program Programmatic Record of Decision, August 28, 2000*;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Members as follows:

I. PURPOSES AND POWERS

1.1. Creation: There is hereby created pursuant to the Joint Exercise of Powers Act ("Act"), California Government Code Section 6500 *et seq.*, a public entity to be known as the **Sites Project Authority** ("Authority"), which shall be an agency that is separate from its Members.

1.2. Purpose: The purpose of this Agreement is to establish an independent joint powers authority to exercise powers common to the Members to, among other things, effectively study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and related facilities such as recreation and power generation. The purposes of pursuing and developing Sites Reservoir are to: (1) increase surface water storage to enhance water management flexibility in the Sacramento Valley, (2) provide flood control benefits, (3) improve conditions for fish and wildlife in the Sacramento Valley, including anadromous fish in the Sacramento River, and (4) improve the operation of the state's water system to provide improvements in ecosystem and water quality conditions in the Bay-Delta while providing a more reliable water supply for the State of California.

1.3. Powers: The Authority shall have the power to pursue the purposes described above and to perform all acts necessary for the exercise of said powers, including, but not limited to, the ability to:

- 1.3.1. make and enter into contracts necessary for the full exercise of its powers;
- 1.3.2. perform studies, environmental review, engineering and design, and if appropriate, permitting, construction of water storage, and related conjunctive management;
- 1.3.3. contract for the services of engineers, attorneys, scientists, planners, financial consultants, and separate and apart therefrom, to employ such persons as it deems necessary;
- 1.3.4. hold or dispose of any property, including acquisition by eminent domain;
- 1.3.5. apply for, accept, and receive permits, licenses, grants, loans, or other funding from any federal, state or local public agency;
- 1.3.6. issue revenue bonds and other forms of indebtedness to the extent, and on the terms, provided by the Act;

1.3.7. incur debts, liabilities, and obligations;

1.3.8. adopt bylaws, rules, regulations, and procedures governing the operation of the Authority.

1.4. Supermajority Vote for Certain Obligations: The Authority shall not incur any obligation under Articles 1.3.5., 1.3.6. or 1.3.7. in excess of \$150,000, except upon an affirmative vote of at least seventy-five percent (75%) of the total number of the Members.

1.5. Manner of Exercise of Powers: To the extent not specifically provided for in this Agreement or the Act, the Authority shall exercise its powers subject to the restrictions upon the manner of exercising the powers under the laws applicable to Irrigation Districts (California Water Code section 20510 et seq.).

1.6. GCID and TCCA Operations: The Parties anticipate that the Sites Reservoir project will be within or adjacent to GCID and/or TCCA districts with at least a portion of the conveyance of water into the reservoir to be accomplished by wheeling water through GCID's Main Canal and/or the Tehama-Colusa Canal. The Authority shall not have the power, except with the express written consent of GCID and/or TCCA, depending on which facilities are at issue, to enter into any agreements or otherwise take any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of GCID and/or TCCA (and, in the case of TCCA, the water agencies it serves) or the operations of their facilities or any facilities they operate under contract.

1.7. Term: This Agreement shall be effective when signed by all Members and shall continue until terminated in accordance with Section 6.2.

II. AUTHORITY MEMBERSHIP

2.1. Generally: Authority membership is comprised of the public agencies (as defined in Section 6500 of the Act) that are authorized to be Members and are signatories to this Agreement.

2.2. DWR and Bureau of Reclamation: The Authority may enter into a contract or other arrangement with the California Department of Water Resources (DWR) and the Bureau of Reclamation to carry out the purposes of this Agreement. DWR, upon the approval of the Authority Board, may be a non-voting, ex-officio member of the Authority.

2.3. Addition of Members: Entities authorized by law to participate in a JPA may subsequently become Members upon an affirmative vote of at least seventy-five percent (75%) of the total number of the Members and the new Member's execution of this Agreement, as it may have been amended. Additional terms and conditions for new Member's participation in the Authority, if any, shall be set forth in an amendment to this

Agreement. Such terms and conditions shall be consistent with this Agreement and any contracts, resolutions, or indentures of the Authority then in effect.

2.4. Consultation Committee: A Consultation Committee will be formed to provide a forum in which non-Member public agencies and private entities provide input on matters affecting the Authority. The Consultation Committee will meet on a regular basis to exchange information and provide input concerning upcoming decisions expected to be made by the Authority. Consultation Committee Members will not have a seat on the Board and will not vote on matters before the Authority, but will have an opportunity to inquire about relevant matters, be apprised by the Authority of issues of interest, and make recommendations concerning pending decisions. The purpose of the Consultation Committee is to maximize transparency regarding the decision-making process and facilitate the exchange of information; provide opportunity for comment, input, and recommendations; and ensure meaningful discussions regarding the rationale for decisions and the outcomes that result.

III. GOVERNANCE AND INTERNAL ORGANIZATION

3.1. Board of Directors: The governing body of the Authority shall be a Board of Directors (Board) that will conduct all business on behalf of the Authority consistent with this Agreement and applicable law. The Board will consist of one representative of each Member.

3.2. Appointment: Each Director shall be appointed by and serve at the pleasure of the governing body of each respective Member.

3.3. Meetings: The Board shall hold at least one regular meeting per year, and may hold regular or special meetings at more frequent intervals. All meetings of the Board shall be called, held, noticed, and conducted subject to the provisions of the Ralph M. Brown Act (Government Code Section 54950, *et seq.*).

3.4. Quorum: A majority of the total number of Directors shall constitute a quorum.

3.5. Voting: The Board shall take action only upon an affirmative vote of a majority of the total number of Directors, except where a supermajority is required by specific provisions herein. Each Board member shall have one vote.

3.6. Officers:

3.6.1. The Board shall select, from among the Directors, a Chair, who will be the presiding officer for all Board meetings, and a Vice-Chair, who will preside in the absence of the Chair.

3.6.2. The Board shall also select a Secretary, who shall be responsible for keeping the minutes of all meetings of the Board and all other official

records of the Authority, and a Treasurer, who shall be the depository and have custody of all money of the Authority and shall perform the duties specified in Government Code Section 6505.5. The Treasurer shall be bonded in accordance with Government Code Section 6505.1 and shall pay all demands against the Authority that have been approved by the Board. The Board may combine the positions of Secretary and Treasurer.

3.7. General Manager: The Board may appoint a General Manager or assign staff of one or more Members to conduct the business of the Authority in accordance with the policies of the Board; provided that no Member's staff will be so assigned without the consent of that Member. The General Manager serves at the pleasure of the Board and may be an employee or a contractor of the Authority.

3.8. Liability of Authority, Officers, and Employees: The Directors, officers, and any employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Director, officer, employee or agent will be responsible for any act or omission by another board member, officer or employee. The Authority shall indemnify and hold harmless the individual board members, officers, employees, and agents of the Authority for any action taken lawfully and in good faith pursuant to this Agreement. Nothing in this section shall be construed to limit the defenses available under the law, to the Members, the Authority, or its Directors, officers, employees or agents.

IV. FINANCIAL PROVISIONS

4.1. Fiscal Year: The fiscal year shall run concurrent with the calendar year, unless the Directors decide otherwise.

4.2. Depository: All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with the funds of any Member or any other person or entity. Regular reports shall be made as directed by the Board, but at least quarterly, to the Board of all receipts and disbursements. The books and records shall be open to inspection by the Board and individual Directors upon reasonable notice.

4.3. Budgets: A draft budget will be prepared for the Members to review 45 days before the beginning of the fiscal year. The Board shall approve the budget no later than 15 days before the beginning of the fiscal year. The budget shall include:

4.3.1. General and administrative costs include the general operation and administration of the Authority. These costs do not include any costs incurred by the Authority directly as a result of a specific Project Agreement as described in Article V.

4.3.2. Project specific costs shall be fully described and specified in a Project Agreement.

The Board shall ensure that all costs incurred by the Authority directly relating to any specific project will be paid only by the parties to the Project Agreement and will not be paid for by the Authority as general and administrative costs.

4.4. Initial Contributions: Upon formation of the Authority, each Member shall contribute \$5,000 for the initial general and administrative costs and to begin developing and implementing Project Agreements.

4.5. Recovery of General and Administrative Costs:

4.5.1. The Board may assess each Member for the general and administrative costs to operate the Authority. Payments of public funds may be made to defray the costs incurred in carrying out such purposes, and advances of funds may be made for use in doing so, to be repaid as provided in this Agreement. Personnel, equipment or property of one or more of the Members may be used in lieu of other contributions or advances, upon Board approval, and will be treated as a contribution from that Member.

4.5.2. General and administrative costs incurred by the Authority in carrying out its purposes, as described in Section 4.3.1., shall be shared by the Parties as determined by the Board.

4.5.3. The Authority shall periodically, as necessary, issue an invoice to each Member reflecting the expenses attributable to that Member in accordance with this Agreement. The Authority must receive payment within 30 days of the date listed on the invoice. Delinquent sums shall bear interest at twelve percent (12%) per year.

4.5.4. Upon request of any Member, the Authority shall produce and allow the inspection of all documents relating to the computation of expenses attributable to the Members under this Agreement. If a Member does not agree with the amount listed on the invoice, it must make full payment and provide a cover letter accompanying payment to the Authority specifying the amount in dispute and providing a detailed explanation of the basis for the dispute. The Authority shall advise the disputing Member of the Authority's determination within 30 business days.

4.6. Auditor: An auditor shall be chosen annually by, and serve at the pleasure of, the Board. The auditor shall make an annual audit of the accounts and records of the Authority. A report shall be filed as a public record with the Auditor of the County where the Authority is domiciled, consistent with Section 6505 of the Act, and with each agency that is a Member or an advisory member. Such report shall also be filed with the California Secretary of State or State Controller within twelve months of the end of the fiscal year.

4.7. Bonds: The Board shall, from time to time, designate the officers or other persons who have charge of, handle, or have access to any property of the Authority

and shall require such officers or persons to file an official bond, at the Authority's expense, in an amount to be fixed by the Board.

V. PROJECT AGREEMENTS

5.1. General: The Authority intends to carry out the purposes of this Agreement through projects that are consistent with the joint exercise of powers described herein. Funding and participation in any project undertaken by the Authority shall be governed by a Project Agreement. The Authority may undertake all or any portion of each project on its own or it may enter into agreements with the State of California, the United States, or any other public or private entity.

5.2. Parties to Agreement: Prior to undertaking a project, the Members electing to participate in the project shall enter into a Project Agreement. A Project Agreement may involve the Authority or one or more Members. No Member shall be required to be involved in a Project Agreement.

5.3. Project Agreement: Each Project Agreement shall provide the terms and conditions by which the Members will participate in the project. All assets, rights, benefits, and obligations attributable to the project shall be assets, rights, benefits, and obligations of those Members that have entered into the Project Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Authority in regard to a particular project shall be the debts, liabilities obligations, and indebtedness of the Members who have executed the respective Project Agreement and shall not be the debts, liabilities, obligations or indebtedness of the Members that have not executed the Project Agreement, nor of the Authority, in the absence of the Authority's execution of the project Agreement. If a project is undertaken by less than all the Members, the Members to a Project Agreement shall appoint a representative to a Project Committee for that project. The Project Agreement may include entities that are not Members to this Agreement and may include advisory members or other public or private entities.

VI. WITHDRAWAL AND TERMINATION

6.1. Termination:

6.1.1. Mutual Termination. This Agreement may be terminated by the mutual agreement of at least seventy-five percent (75%) of all the Members in writing.

6.1.2. Termination of a Member by the Authority. This Agreement may be terminated with respect to any Member upon an affirmative vote of the Board of Directors consisting of at least seventy-five percent (75%) of all Members. Prior to any vote to terminate this Agreement with respect to a Member, written notice of the proposed termination and the reason(s) for

such termination shall be presented at a regular Board meeting with opportunity for discussion. The Member subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote. If a Member is terminated, that Member will be responsible for its share of any costs incurred by the Authority up to the date of termination.

6.2. Member Withdrawal from Authority: Any Member may withdraw from this Agreement by giving at least 30 days written notice of its election to do so, which notice shall be given to the Authority and each Member to this Agreement; provided, that such withdrawal does not in any way impair any contracts or obligations of the Authority then in effect. Prior to withdrawal or as soon as an accounting can be completed, the withdrawing Member shall pay its share of General and Administrative Costs, described in Section 4.5; provided, however, the withdrawing Member shall only be liable for expenses incurred through the date of withdrawal. The withdrawing Member shall also be responsible for any claims, demands, damages, or liability arising from this Agreement through the date of withdrawal. With respect to a particular project, and subject to the terms of the applicable Project Agreement, the withdrawing Member shall be responsible for its share of all costs, expenses, advances, contractual obligations, and other obligations, including bonds, notes or other indebtedness issued by the Authority while such withdrawing entity was a party to a Project Agreement. The remaining parties to a Project Agreement shall have the option of discontinuing a project and/or acquiring the interests of the withdrawing party. If the remaining Members to a Project Agreement in Article V decide to terminate the Project Agreement, any remaining funds will be allocated pursuant to the terms of the agreement and the costs will be allocated to all the parties as described in the Project Agreement, including the withdrawing party.

6.3. Disposition of Assets upon Termination: Upon termination of this Agreement, any surplus money or assets in the possession of the Authority for use under this Agreement, after payment of liabilities, costs, expenses and charges incurred under this Agreement, shall be returned to the then-existing Members in proportion to the contributions made by each. Unless otherwise agreed, all other property, works, rights and interests of the Authority shall be allocated to the then-existing Members in the same manner upon termination. Notwithstanding the foregoing, at the time of termination of this Agreement, upon a vote of the Board of Directors consisting of no less than a majority of the voting shares of all then existing members of the Board to sell the property, works, rights and interests of the Authority to a public utility, governmental agency, or other entity or entities for good and adequate consideration, the Authority shall have the power to consummate such a sale and the net proceeds from the sale shall be distributed in the same manner as set forth above.

VII. DEFINITIONS

As used in this Agreement, the meaning of the terms used hereafter shall be as follows:

7.1. Agreement: This Joint Exercise of Powers Agreement as it currently exists or as it may be amended or revised from time to time.

7.2. Authority: The Sites Project Authority as organized by this Agreement.

7.3. Board of Directors or Board: the governing body of the Authority as established in Article III of this Agreement.

7.4. Member: the signatories to this Agreement, and any additional Member added pursuant to Section 2.3.

VIII. MISCELLANEOUS PROVISIONS

8.1. Amendment of Agreement: This Agreement may be amended only by an affirmative vote of at least seventy-five percent (75%) of the total number of Members. The Authority shall provide notice to all Members of amendments to this Agreement, including the effective date of such amendments.

8.2. Assignment: Except as otherwise expressed in this Agreement, the rights and duties of the Members may not be assigned or delegated without the advance written consent of all the other Members, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members. This section does not prohibit a Member from entering into an independent agreement with another agency, person or entity regarding the funding or financing of that Member's contributions to the Authority, or the disposition of the proceeds which that Member receives under this Agreement, so long as the independent agreement does not affect or purport to affect, the rights and duties of the Authority or the Members under this Agreement. Assignment of interests under a Project Agreement shall be governed by that Agreement and consistent with the provisions herein.

8.3. Severability: If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.4. Execution by Counterparts: This Agreement may be executed in any number of counterparts and upon execution by all Members, each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.5. Members to be Served Notice: Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by facsimile, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt; (ii) by mail shall be conclusively deemed given 48 hours after the deposit thereof if the sender returns the receipt; and (iii) by facsimile, upon receipt by sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety and received at the recipient's facsimile number. All Notices shall be addressed to:

Glenn-Colusa Irrigation District
General Manager
344 E. Laurel Street
Willows, CA 95988

Reclamation District 108
General Manager
P.O. Box 50
Grimes, CA 95950

Tehama-Colusa Canal Authority
General Manager
5513 Highway 162
P.O. Box 1025
Willows, CA 95988

Maxwell Irrigation District
General Manager
P. O. Box 217
Maxwell, CA 95955

County of Glenn
Chair of the Board of Supervisors
525 West Sycamore Street
Willows, CA 95988

County of Colusa
Chair of the Board of Supervisors
547 Market Street, Suite 108
Colusa, CA 95932

Yolo County Flood Control and Water Conservation District
34274 State Highway 16
Woodland, CA 95695

IN WITNESS WHEREOF, the 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:

GLENN-COLUSA IRRIGATION DISTRICT

By: *Donald P. Beaufort*

Date: August 26, 2010

TEHAMA-COLUSA CANAL AUTHORITY

By: *Weneth LaGrande*

Date: August 26, 2010

RECLAMATION DISTRICT 108

By: *[Signature]*

Date: 8-26-10

MAXWELL IRRIGATION DISTRICT

By: *[Signature]*

Date: 8/26/10

COUNTY OF GLENN

By: *[Signature]*

Date: 8-26-2010

COUNTY OF COLUSA

By: *[Signature]*

Date: 8-26-10

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: *[Signature]*

Date: 8-24-10