



SCV
WATER



**SCV WATER AGENCY
TELECONFERENCE
WATER RESOURCES AND WATERSHED
COMMITTEE MEETING**

WEDNESDAY, JANUARY 12, 2022

START TIME: 5:30 PM (PST)

Join the Board meeting from your
computer, tablet or smartphone:
<https://scvwa.zoomgov.com/j/1607360842>

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When the Chair announces the agenda item you wish to speak on, **dial *9 to raise your hand**. Phone participants will be called on by the **LAST TWO digits** of their phone number. **When it is your turn to speak, dial *6 to unmute**. When you are finished with your public comment dial ***6 to mute**.

Can't attend? If you wish to still have your comments/concerns addressed by the Committee, all written public comments can be submitted by 4:00 PM the day of the meeting by either e-mail or mail.** Please send all written comments to Cheryl Fowler. Refer to the Committee Agenda for more information.

*For more information on how to use Zoom go to support.zoom.us or for “raise hand” feature instructions, visit <https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>

**All written comments received after 4:00 PM the day of the meeting will be posted to [yourscvwater.com](https://www.yourscvwater.com) the next day. Public comments can also be heard the night of the meeting.


Please Note Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. The public may not attend meetings in person. The public may use the above methods to attend and participate in the public Committee meetings.

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Date: January 5, 2022

To: **Water Resources and Watershed Committee**
Jeff Ford, Chair
B.J. Atkins
Edward Colley
William Cooper
E.G. "Jerry" Gladbach

From: Steve Cole, Assistant General Manager 

The **Water Resources and Watershed Committee** is scheduled to meet via teleconference on **January 12, 2022 at 5:30 PM**, call-in information is listed below.

**TELECONFERENCE ONLY
NO PHYSICAL LOCATION FOR MEETING**

TELECONFERENCING NOTICE

Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. Any Director may call into the Agency Committee meeting using the **Agency's Call-In Number 1-(833)-568-8864 Webinar ID: 160 736 0842 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1607360842>** without otherwise complying with the Brown Act's teleconferencing requirements.

The public may not attend the meeting in person. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

If the State of Emergency for COVID-19 expires prior to this meeting and after the posting of this Agenda, this meeting will be held in person at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Board and Training Room.

We request that the public submit any comments in writing if practicable, which can be sent to cfowler@scvwa.org or mailed to Cheryl Fowler, Management Analyst II, Santa Clarita Valley Water Agency, 26501 Summit Circle, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting and will be posted on the SCV Water website the following day.

MEETING AGENDA

<u>ITEM</u>	<u>PAGE</u>
1. <u>PLEDGE OF ALLEGIANCE</u>	
2. <u>PUBLIC COMMENTS</u> – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
3. * Recommend Authorizing the General Manager to Execute an Amendment to the Reservoir Agreement for Sites Reservoir to Fund Necessary Planning Costs	5
4. * Recommend Authorizing the General Manager to Enter Into Agreement with TerraVerde Energy for Application Preparation and Project Management of Self Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding	65
5. Water Resources Director’s Report	
5.1 Status of Water Supplies	
5.2 Staff Activities	
6. Sustainability Manager’s Report	
6.1 Status of Drought Response and Performance	
6.2 Status of Sustainability and Climate Action Plan	
7. * Committee Planning Calendar	75
8. Adjournment	

* Indicates Attachment

◆ Indicates Handout

NOTICES:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Cheryl Fowler, Management Analyst II, at (661) 297-1600, or in writing to Santa Clarita Valley Water Agency at 26501 Summit Circle, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons

requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

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 Committee less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on January 5, 2022.

MBS

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MEMORANDUM

DATE: December 27, 2021

TO: Water Resources and Watershed Committee

FROM: Dirk Marks *DM*
Director of Water Resources

SUBJECT: Recommend Authorizing the General Manager to Execute an Amendment to the Reservoir Agreement for Sites Reservoir to Fund Necessary Planning Costs

SUMMARY

The Sites Reservoir is an off-stream reservoir that would supplement SCV Water's imported water supplies. State and federal agencies, and public water agencies north and south of the Delta are participating in the development of this project. On June 22, 2016, the Castaic Lake Water Agency (CLWA) Board of Directors authorized participation in the initial planning efforts for the Sites Reservoir Project. The subsequent participation agreement was amended twice to facilitate planning activities through 2021 with significant progress being made including securing Proposition 1 Funding, right-sizing the project, preparation of initial and revised environmental documents, and development of water rights applications, operating principles and financial plans. Although not currently incorporated into the Urban Water Management Plan (UWMP), the Sites Reservoir project provides an alternative to currently planned projects that maintain reliability as water demands grow or may provide a contingency supply. Execution of a third amendment to complete planning process and initiate preliminary design would keep these options open to SCV Water. Subsequent approval by the Board of Directors would be required prior to SCV Water committing to participating in final design, construction, and operation of Sites Reservoir.

DISCUSSION

Background

The Sites Reservoir has been evaluated as a water supply project for more than 30 years. It was originally envisioned as part of, what was called at the time, Stage II of the State Water Project and was administered by DWR until 2010 when the Sites Reservoir Authority (Authority) was formed to take over the project and move it forward. The Authority (membership consisting of north of the Delta entities) would own the land, the reservoir and hold the water rights and permits. Its Reservoir Committee was created in 2016 to fund and oversee the planning, construction and operation and is currently made up of 23 entities from both north and south of the Delta. Initial planning efforts focused on preparation of a Draft EIR/EIS driven in part by efforts to secure Proposition 1 funding. In 2018, the California Water Commission awarded \$816M to fund public interest participation in the project and the U.S. Department of Agriculture committed to fund \$449M to help build certain aspects of the project.

In 2010, the project was envisioned as an off-stream reservoir with 1.3 to 1.8 million acre-feet (MAF) of storage capacity. In 2020, participants undertook a considerable value engineering

process that arrived at a preferred 1.5 MAF off-stream reservoir project, filled using existing Sacramento River diversions from the Tehama-Colusa and Glenn-Colusa Canals. South of Delta deliveries would be made through the Tehama-Colusa Canal through the proposed Dunnigan Pipeline to the Colusa Basin Drain and then to the Sacramento River. This preferred alternative is incorporated in the October 2021 Revised Draft EIR/EIS (<https://sitesproject.org/revised-draft-environmental-impact-report-supplemental-draft-environmental-impact-statement/>). A map of the proposed facilities and an operational diagram are included in Attachment A. The project would divert water from the Sacramento River during high flow conditions during winter and spring. Water would be released to participants during the summer and fall. Releases to South of Delta Participants would occur primarily during dryer years when conveyance capacity through the Delta is available. Further, the California Department of Fish and Game would operate 16 percent of the reservoir to support public environmental interest.

Potential Benefits to SCV Water of Sites Reservoir Participation

While the Sites Reservoir Project is not included in SCV Water’s UWMP at this time, participation in this project provides a potential backstop if some of the planned for water supply elements in the UWMP cannot be developed or could provide a contingency source of supply to mitigate potential known or unknown risks facing SCV Water while further diversifying the Agency’s water supply portfolio. Figure 1 below illustrates those existing and proposed water supply elements at buildout included in the UWMP but differs somewhat from previous UWMP presentations as the demands shown assumes only passive conservation measures which is indicated by the large black dot below. Because future active conservation could change as may be dictated by future regulatory actions and is also dependent on the level of Board authorized spending, the following diagrams show it as a future water supply.

Figure 1

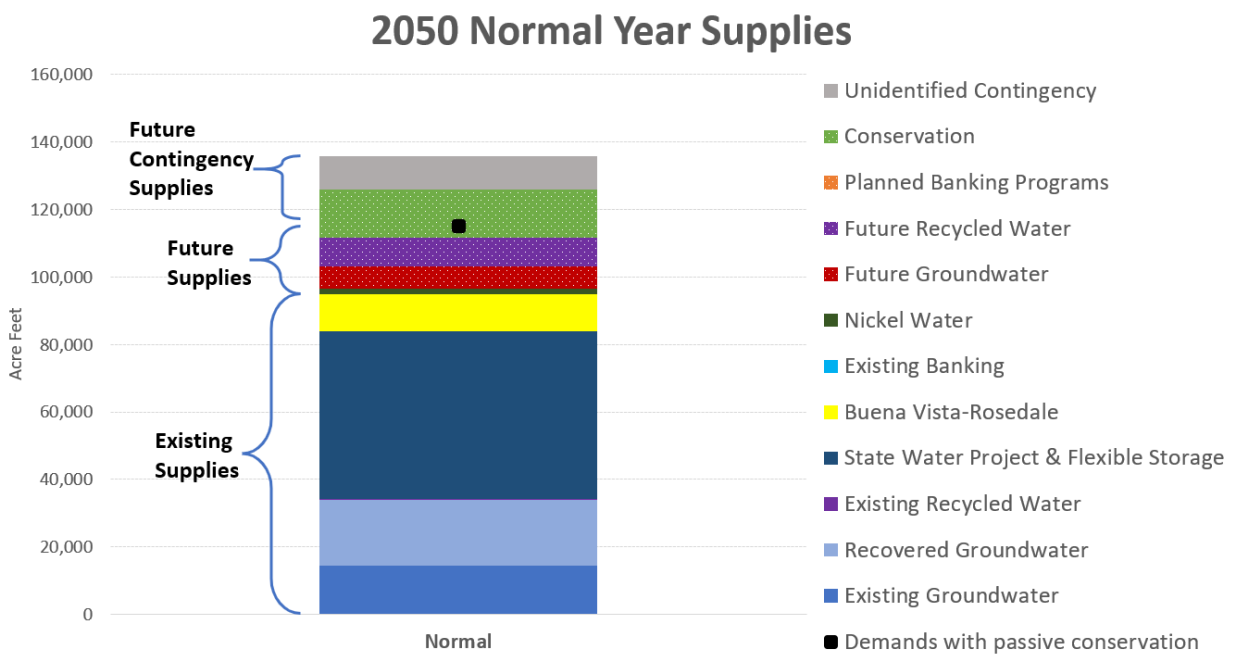
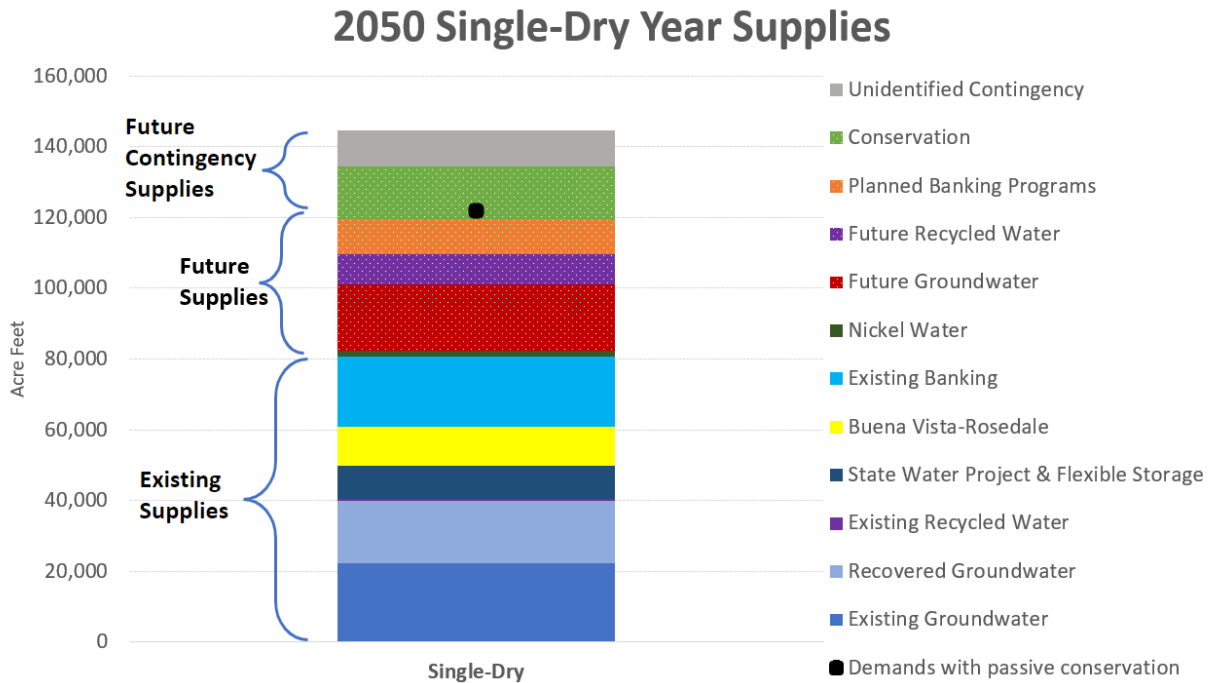


Figure 2



A high-level summary of uncertainties associated with current and future elements of SCV Water portfolio is provided in the Figure 3 below. These include actual climate change impacts exceeding those estimates that are already incorporated into demand estimates, groundwater operating plans and State Water Project supplies. As illustrated by SCV Water’s experience with PFAS contamination, groundwater supplies and groundwater banking programs are subject to future regulatory constraints that may occur due to constituents of emerging concern (CECs). Additionally, water supplies that pass through the Sacramento San Joaquin Delta are subject to ongoing water quality and endangered species regulation by the State Water Resources Control Board, California Department of Fish and Wildlife, US Fish and Wildlife Service and NOAA National Marine Fisheries Service.

Sites Reservoir would be subject to similar uncertainties common with other surface water supplies. The project, however, has several potential upsides that may result in additional yield. To the extent that climate change results in less snowpack and higher flow rates in the Sacramento River, Sites reservoir is positioned to divert a portion of those flows for use later in the year or during dry and critically dry years. Additionally, should a Delta Conveyance Facility (DCF) be constructed, that facility could be used to convey Sites Project water and thus reduce carriage losses that otherwise would be experienced. This potential was specifically recognized in the Agreement in Principle that would form the basis for a contract amendment for the DCF.

Figure 3

Portfolio Elements	Uncertainties
Existing Water Supplies	<ul style="list-style-type: none"> • Climate change exceeds those estimates already included in UWMP analysis • Temporary disruption of groundwater and banking programs due to constituents of emerging concern (CECs) • Increased regulatory constraints on SWP supplies • State approval of Groundwater Sustainability Plan
Active Water Conservation	<ul style="list-style-type: none"> • New conservation mandates (interior 42 gpcd and higher irrigation efficiency) may increase conservation • Fiscal investments and enforcement implications • Nature of future development
Recycled Water	<ul style="list-style-type: none"> • Conservation mandates may decrease supply and decrease demand for non-potable irrigation water
Planned Groundwater Banking (Rosedale Expansion)	<ul style="list-style-type: none"> • CECs • Siting of proposed wells
Planned Groundwater Banking (NLF Semitropic)	<ul style="list-style-type: none"> • Contract negotiations for transfer to SCV Water
Future Groundwater – Alluvial (Retired Ag Production Newhall Ranch)	<ul style="list-style-type: none"> • Siting and permitting of wells • CECs
Future Groundwater - Saugus	<ul style="list-style-type: none"> • Siting and permitting of wells • CECs
Sites Reservoir	<ul style="list-style-type: none"> • Climate change may result in higher winter flows in the Sacramento River and greater project yield • Additional benefits from Delta Conveyance Facility • Increased regulatory constraints on operating criteria

Staff has performed some initial analyses of how Sites Reservoir could be incorporated into SCV Water Portfolio. This analysis was part of the 2021 Update of the Water Reliability Plan. (https://yourscvwater.com/wp-content/uploads/2021/04/SCV-Water-Reliability-Plan-update_2021-Master_DRAFT-1.pdf). Several scenarios were developed that are summarized in Figure 4. The base case and case 1 represent existing supplies and the current UWMP supplies respectively. Cases 2-5 represent various assumptions relating to the future development of Saugus wells with Sites Reservoir analyzed for cases 3-5. The analysis concluded that these cases met SCV Water’s reliability objective.

Figure 4

Component	Base	1	2	3	4	5
Alluvial & Existing Saugus	*	*	*	*	*	*
SWP and BVRRB	*	*	*	*	*	*
Existing Banking Programs	*	*	*	*	*	*
Saugus Wells 3 and 4		*	*	*		
Saugus Wells 5 - 8		*				
Additional Rosedale Bank Capacity		*	*	*	*	
Sites Reservoir				*	*	*
AVEK High Desert Bank			*		*	*
McMullin GSA <u>Aquaterra</u> Bank						*

Additionally, the Sites Reservoir could benefit SCV Water by further diversifying the Agency’s water supply portfolio and mitigating further reduction of SWP imported supplies. In addition, being a surface supply (and the fact that current available Delta pumping windows occur in the summer), delivery of this supply is more readily scheduled in high demand summer months than groundwater banking supplies. Thus, this supply could complement needed investments in groundwater banking programs.

Current Estimate of Water Supply Benefits

At SCV Water’s current 5,000 AF participation level, it would receive approximately 2% of available diversions from the Sacramento River and control storage space of approximately 31,000 AF. Under the Draft Operating Principles, once diverted into the reservoir, water would be delivered as scheduled by SCV Water in a year of its choice. Generally, the availability of Delta conveyance capacity is higher in below normal, dry, and critically dry years when the value of this supply to SCV Water would be the greatest. SCV Water would have the ability to sell its supply to other participants or lease its storage space to other participants to offset its costs should that be desired. The Sites Project is working with DWR and Reclamation to explore coordinate operations of Sites with operations of the State Water Project and the Central Valley Project including opportunities for exchanging water to enhance project operations including preserving cold water reserves at Shasta and Oroville reservoirs.

Current estimates indicate the project could make up to 9,000 to 10,000 AF available in dry and critically dry years North of the Delta. This supply would be subject to carriage losses which can run between 15%-35% depending on conditions in specific hydrologic years. If a Delta Conveyance Facility is constructed these carriage losses would likely be reduced. Conversely, more restrictive diversion conditions resulting from the permitting process for incidental take permitting for endangered species could result in lower yields.

Although not currently incorporated into the Urban Water Management Plan, the Sites Reservoir project provides an alternative to currently planned projects that maintain reliability as water demands grow or may provide a contingency supply. Continued participation in the Sites project maintains water supply reliability options for SCV Water while uncertainties associated with other existing and potential supplies become better defined.

Current Estimate of Costs

Sites Reservoir represents a significant investment of public funds to secure future water supplies. It is a multi-purpose reservoir that will provide incidental flood control protection for adjacent communities, environmental benefits funded through Prop 1 investments and water supply benefits to agricultural and M&I participants. The current estimated cost for the project is \$3.9B (2021 dollars). Approximately 85% of project costs would be capitalized construction and planning costs with the remaining 15% representing fixed and variable operating costs. The average annual cost for water north of the Delta is estimated at approximately ~\$750/AF to ~\$900/AF, depending largely on the cost of debt financing. Carriage losses across the Delta would increase unit costs 15% to 35% depending on hydrologic conditions. Similarly, more restrictive permitting diversion criteria could increase unit costs.

The California Water Commission, at its December 15, 2021 meeting, determined the project feasible and confirmed the Sites Project remains eligible for up to \$836M of Prop 1 storage funding. The Sites Authority has secured \$100M in Water Infrastructure Improvements from the Nation Act (WIIN Act), and \$449M in USDA loans and is seeking \$600M in Water Infrastructure Finance and Innovation Act (WIFIA) loans to reduce financing costs. If secured, WIFIA funding sources could lower anticipated financing costs.

While it is difficult to compare costs at this juncture to other projects, Sites Reservoir is in the same order of magnitude with some of SCV Water's current and proposed water supplies like the Buena Vista Rosedale-Rio Bravo (BVRRB) water purchase or Phase 2 Recycled Water Projects. For example, the cost for the BVRRB supply is currently \$932/AF and that cost continues to increase at the average rate of the consumer price index and SWP cost increases. Given the large, fixed cost component of Sites Reservoir, it would be likely that the BVRRB unit costs will exceed those of Sites Reservoir within a decade of operation.

Another perspective when examining potential participation in Sites Reservoir would be to estimate the impact of Sites Reservoir participation on the cost on water supply to customers. While it is unknown at this time how much (if any) project costs might be paid for from 1% Property Tax or SWP Ad Valorem taxes, a conservative assumption would be to assume that the cost of the project would be paid for entirely through water rates. The currently estimated annual capital cost for the Sites project is \$4.3M with operating cost a \$0.64M. This results in a total annual cost of \$4.9M. Average annual water sales in 2050 are estimated at 101,000 AF or 44MCCF (in billing units). Thus, potential participation could add approximately \$0.11 per CCF or about \$1.67 per month for a customer that uses an average of 15 CCF.

Proposed Amendment to Reservoir Project Agreement

As authorized by the CLWA Board, staff executed the Reservoir Project Agreement for Sites Reservoir. Planning efforts resulted in the successful application to secure Prop 1 funding in the amount of \$816 million. In 2019 and 2020, staff executed no cost amendments that extended the work period through September 2020. Execution of a second amendment for 2021 planning costs was authorized by the SCV Water Board at its July 21, 2020 Regular Board Meeting. Work in this second phase included a value engineering effort that arrived at

the current project configuration. Attachment B contains the Agreement, past amendments, and the proposed Third Amendment. The proposed Third Amendment would cover the continuation of planning efforts through December 31, 2024. These efforts would include completing CEQA and NEPA documents, securing critical permits, securing water rights, advancing design and preconstruction activities sufficient to make the project ready to secure financing. Payments would be made consistent with the schedule in Table 1 below.

Table 1

Calendar Year	Payment Due Date	Unit Costs	SCVWA Costs
2022	May 1, 2022	100	\$500,000
2023	January 1, 2023	140*	\$700,000*
2024	January 1, 2024	160*	\$800,000*

*Maximum amount provided by agreement actual cost may be less. Collection subject to an affirmative vote of 75% of total number of participating agencies and 75% of the weighted participation in project.

At the end of the planning process, it is anticipated that a work plan will be completed and updated cost estimates prepared to allow participants to commit to the completion of the project. Such action would require affirmative action by participating members including SCV Water. There is also a chance that after 18 months into the work plan enough progress will have been made such that the Sites Project Authority would be eligible for financing the remainder of the planning workplan as well as commit to the remainder of the project. Again, such an action would require affirmative action by the Reservoir Committee members including SCV Water, desiring to continue participation prior to proceeding.

FINANCIAL CONSIDERATIONS

Sites Reservoir planning costs are contained in SCV Water’s Capital Budget which contains \$750,000 and \$800,000 for FY2021/22 and FY 2023/23 respectively. These funding levels more than cover the scheduled funding amounts needed (see Table 1).

RECOMMENDATIONS

That the Water Resources and Watershed Committee recommend that the Board authorize the General Manager to execute the Third Amendment to the Reservoir Agreement for the Sites Project.

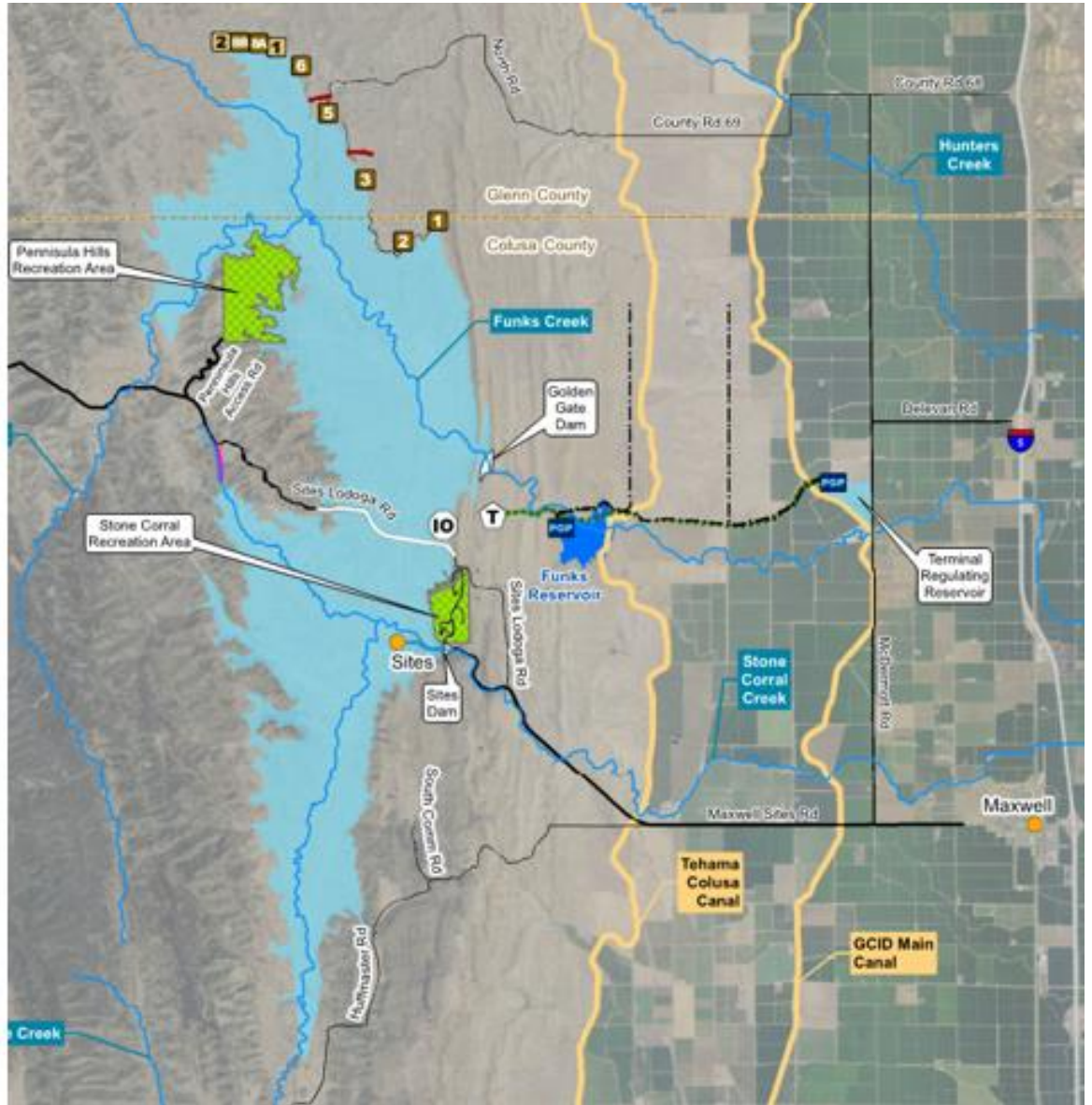
DSM

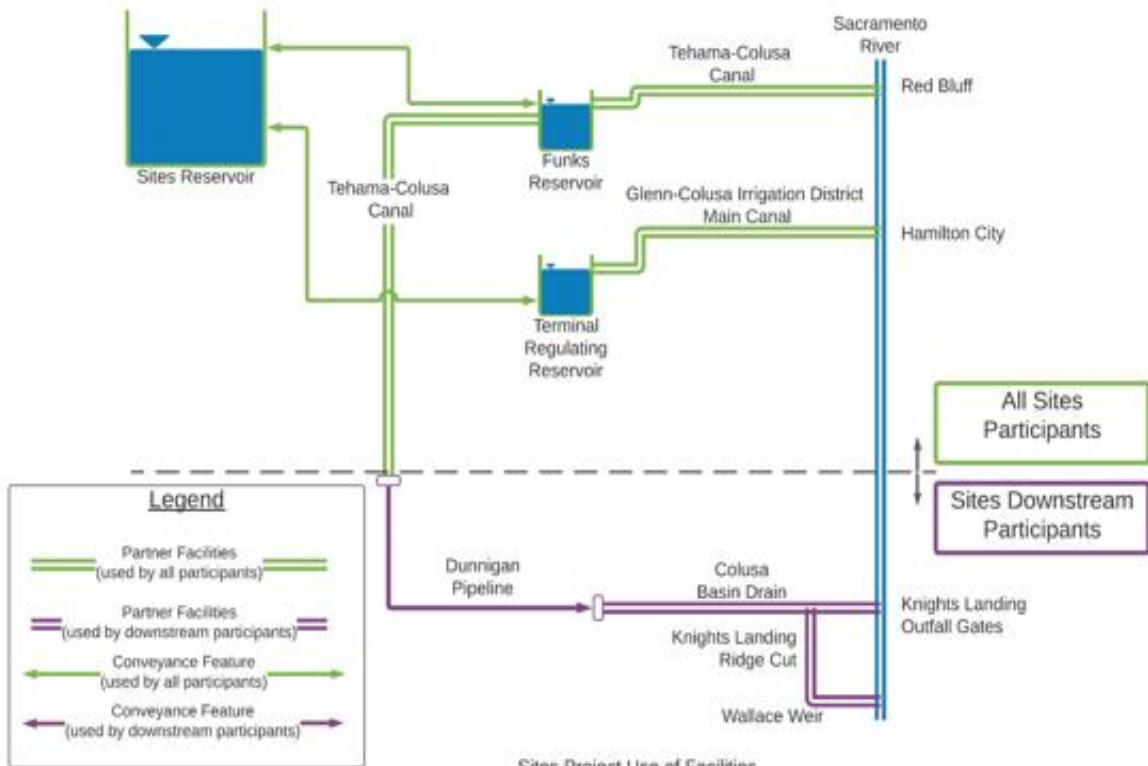
Attachments

MGS

Attachment A

Project Map





Predecisional Working Document – For Discussion Purposes Only

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Attachment B

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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EXHIBIT A PROJECT AGREEMENT MEMBERS A-1

EXHIBIT B 2019 WORK PLAN..... B-1

EXHIBIT C NOTIFICATIONS C-1

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 2/27/2019

CARTER MUTUAL WATER COMPANY

(Authority & Project Agreement Member)

300 AF

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

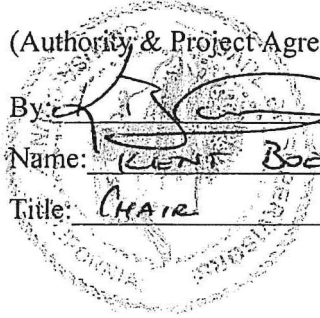
10,000 AF

(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

Dated: 2/25/19

[PROJECT AGREEMENT MEMBER]

[Signature]

(Authority & Project Agreement Member)

11,975 AF

By: Shelly Mundy
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

GLENN COLUSA IRRIGATION DISTRICT

Donald R. Braustford

(Authority & Project Agreement Member)

By: Donald R. Braustford Name:

5,000 AF

Title: President - Glenn-Colusa Irrigation District

Dated: 3/10/19

Metropolitan Water District of Southern California

(Authority & Project Agreement Member)

By: Jeffrey Kightlinger
Name: Jeffrey Kightlinger
Title: General Manager

50,000 AF

Dated: 15 FEB 2019

RD-108

(Authority & Project Agreement Member)

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

4,000 AF

Dated: 1/28/19

[PROJECT AGREEMENT MEMBER]

San Bernardino Valley Municipal Water District

(Authority & Project Agreement Member)

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

21,400 AF

[PROJECT AGREEMENT MEMBER]

Dated: 2-27-19

San Geronimo Pass Water Agency

(Authority & Project Agreement Member)

14,000 AF

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

Dated: 2/19/19

Santa Clarita Valley Water Agency

(Authority & Project Agreement Member)

5,000 AF

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

Dated: February 26, 2019

SANTA CLARA VALLEY WATER DISTRICT

(Authority & Project Agreement Member)

16,000 AF

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

Dated: 3/7/2019

CORTINA Water District

(Authority & Project Agreement Member)

450 AF

By: [Signature]
Name: JAMES PETERSON
Title: vice president

[Signature]
Charles Grimmer
President CWI

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

ZONE 7 WATER AGENCY

Dated: 1/30/19



(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
				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: Ms. Valerie Pryor

Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 945

Attention: Mr. Dirk Marks

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]
GLENF-COWSA I.P.
(Authority & Project Agreement Member)
By: THADDEUS L. BETNER
Name: THADDEUS L. BETNER
Title: GENERAL MANAGER, SECRETARY

Dated: 3/3/20
[PROJECT AGREEMENT MEMBER]
METROPOLITAN WATER DISTRICT
(Authority & Project Agreement Member)
By: GENERAL MANAGER
Name: _____
Title: GENERAL MANAGER

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]
CASPER MUTUAL WATER COMPANY
(Authority & Project Agreement Member)
By: Benjamin J. G.
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

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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

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:

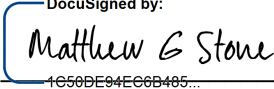
Dated: 12/15/2020

SITES PROJECT AUTHORITY

By: ~~Jerry Brown~~
Name: Executive Director
Title:

Dated: 12/14/2020

SANTA CLARITA VALLEY WATER AGENCY

By: 
Name: Matthew G. Stone
Title: General Manager

PARTICIPATION AMOUNT

SANTA CLARITA VALLEY WATER AGENCY hereby elects to participate in the Sites Reservoir Project in the amount and at the cost identified below.

Participation (Second Amendment Annualized Acre-Foot):

5,000 AF

Second Amendment Cost:

NOT TO EXCEED \$500,000

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Participation	
	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
AMENDMENT 2 WORK PLAN

Exhibit B
Reservoir Committee
2020 and 2021 Work Plan

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

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).

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)

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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”) 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 by the Second Amendment to 2019 Reservoir Project Agreement dated as of July 1, 2020 (the “Second Amendment” and, together with the Original Agreement and the First 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 two 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 8555(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 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

MISCELLANEOUS

Section 3.01. **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 3.02. **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 3.03. **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:

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Participation (Third Amendment Annualized Acre-Foot)		Storage Allocation
	Preliminary	Percent	
American Canyon, City of	4,000	2.4%	
Antelope Valley-East Kern Water Agency	500	0.3	
Carter Mutual Water Company #	300	0.2	
Coachella Valley Water District	10,000	6.0	
Colusa County	10,000	6.0	
Colusa County Water District	10,073	6.0	
Cortina Water District	450	0.3	
Davis Water District	2,000	1.2	
Desert Water Agency	6,500	3.9	
Dunnigan Water District	2,972	1.8	
Glenn-Colusa Irrigation District	5,000	3.0	
Irvine Ranch Water District	1,000	0.6	
LaGrande Water District	1,000	0.6	
Metropolitan Water District of S. CA	50,000	29.8	
Reclamation District 108	4,000	2.4	
Rosedale-Rio Bravo Water Storage District	500	0.3	
San Bernardino Valley Municipal Water District	21,400	12.8	
San Geronio Pass Water Agency	14,000	8.4	
Santa Clara Valley Water District	500	0.3	
Santa Clarita Valley Water Agency	5,000	3.0	
Westside Water District	5,375	3.2	
Wheeler Ridge-Maricopa Water Storage District	3,050	1.8	
Zone 7 Water Agency	10,000	6.0	
Total:	167,620	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:

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

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COMMITTEE MEMORANDUM

DATE: December 29, 2021

TO: Water Resources and Watershed Committee

FROM: Matthew S. Dickens, MPA *MSD*
Sustainability Manager

SUBJECT: Recommend Authorizing the General Manager to Enter into Agreement with TerraVerde Energy for Application Preparation and Project Management of Self Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding

SUMMARY

In support of SCV Water’s Strategic Plan and to determine eligibility for the California Public Utilities Commission (CPUC) Self-Generation Incentive Program (SGIP), staff conducted a series of feasibility analyses to determine the Agency’s priorities salient to Photovoltaic (PV) and Batter Storage (BESS) projects. Staff recommends for SCV Water to procure services from TerraVerde Energy in support of its SGIP application, Request for Proposals (RFP) development, and Implementation Management and Construction efforts.

DISCUSSION

SCV Water’s 5-Year Strategic Plan (2019) identifies several strategies to enable the Agency to accomplish its mission of “Providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high-quality water at a reasonable cost.” Following adoption of the strategic plan, staff, with support from TerraVerde Energy, conducted analyses to determine feasibility of additional PV deployment and BESS. The analyses included a wide range of criterion including cost-effectiveness (SGIP value and peak demand offset), critical battery back-up, leverage with existing infrastructure, and available development footprint. Based on staff input coupled with planned development, the feasibility analysis identified two (2) projects that provide significant benefit to the Agency. The optimal SGIP Priority 1 projects include:

Table 1. SCV Water – SGIP Project Overview (Priority 1)

Site Name	Address	Solar Size (kWdc)	Solar PV System Type	Bess Size (kWh)	SGIP Incentive Value	Project Cost Est.	Post-SGIP Capital Cost	Voltage
Rio Vista TP	27234 Bouquet Canyon	NA	NA	2,088	\$1,017,105	\$1,166,466	\$149,341	480v
Earl Schmidt TP	32700 Lake Hughes Rd.	680	Fixed-Tilt	928	\$459,000	\$1,892,652	\$1,443,652	480v

Rio Vista Treatment Plant (BESS) – Concept Map

METER CODE	4
NOTES	
Installation Type	
BESS	
<p>NOTES: 1. Area for BESS installation is roughly designated by the green area outline shown. Actual area dimensions to be verified by Contractor.</p>	
SITE INFORMATION	
SERVICE ACCOUNT ID	3-048-1111-89
METER NUMBER	V345N-009417
ONSITE BACK-UP GENERATOR	
SWITCHBOARD VOLTS/AMPS	277-480V, 4000A
UTILITY TRANSFORMER	

SCV Water
 Rio Vista TP
 27234 BOUQUEI CANYON RD, SAUGUS, CA 91350

Earl Schmidt (PV + BESS) – Concept Map

TerraVerde ENERGY

SCV Water
 ES
 32700 LAKE HUGHES RD W, CASTAIC, CA 91384

METER CODE	2		
ARRAY NOTES			
Installation Type	Azimuth	Tilt	Array #
Ground Mount	225°	10°	1
Low Shade Structure	225°	10°	2
Low Shade Structure	225°	10°	3
Low Shade Structure	195°	10°	4
Ground Mount	225°	3°	5
BESS	N/A	N/A	N/A

NOTES:

1. Solar PV array area options are roughly designated by the blue outlines shown. Actual area dimensions to be verified by Contractor during site walk.
2. Area for BESS installation is roughly designated by the green outline above. Actual area dimensions to be verified by Contractor.

SITE INFORMATION	
SERVICE ACCOUNT ID	3-037-9025-36
METER NUMBER	V3108-001007
TARGET ANNUAL PRODUCTION (KWH)	1,185,488
SWITCHBOARD VOLTS/AMPS	277/400V, 1200A
UTILITY TRANSFORMER	750KVA

Launched by the CPUC in 2020, the Self Generation Inc Incentive Program offers rebates for installing energy storage technologies at both households and non-residential facilities. With SGIP, there are two types of rebate offerings including Equity (specific to Disadvantaged Communities) and Equity Resiliency (prioritizes high Public Safety Power Shutoffs and Tier 2 and 3 High Fire Threat District). During TerraVerde Energy's analyses, it was determined that none of the priority 1 or 2 projects met the Equity rebate requirement, though the projects are eligible for the Equity Resiliency rebate (total rebate values for Priority 1 projects noted in Table 1). For Rio Vista, the SGIP project would leverage battery storage with the Agency's 4.5 MW PV system. The battery storage would provide additional back-up capacity during power outages and support other demand management efforts. Rio Vista's SGIP project is expected to cost \$1,166,466 (net \$149,361) and has an estimated simple payback period ranging from 1-4 years depending on ownership structure (cash purchase option versus 3rd party ownership). For Earl Schmidt, the SGIP project includes new PV deployment coupled with battery backup and would provide additional back-up capacity and increase SCV Water's renewable energy portfolio by 12%. Earl Schmidt's estimated project cost is \$1,892,652 (net \$1,433,652) and has a simple payback period of 11-14 years depending on ownership structure.

As of December 2021, funding for the Agency's Priority 1 projects is listed as available by the CPUC and via its local program administrators. In addition to SCV Water's rebate eligibility, the agency will increase long-term project benefit by applying for the rebates prior to the CPUC's potential adoption of its Net Metering 3.0 tariff (NEM 3.0). The proposed NEM 3.0 tariff could create additional hurdles for distributed solar access, increase access fees and large fees for non-residential customers, and credit reductions for contributing customers. Should SCV Water apply for service before CPUC adoption of NEM 3.0, the affected projects would be grandfathered into provisions included in NEM 2.0.

Staff recommends SCV Water procure services from TerraVerde Energy for SGIP project application and project management support. In addition to being identified as a "Preferred Service Provider" by the Association of California Water Agencies (ACWA), TerraVerde Energy has extensive knowledge of SCV Water's appurtenance, energy demands, and existing renewable energy assets. TerraVerde Energy assisted SCV Water with the purchase of the 4.5 MW PV System, conducted the PV and BESS analyses, and assisted with coordination of pre-purchase wind damage repairs. Having successfully completed these tasks, TerraVerde Energy is uniquely qualified to support the Agency with SGIP project application processes and project management.

FINANCIAL CONSIDERATIONS

The cost estimate for the proposed contract is \$294,060.25 (\$220,255 TV support and \$73,805.25 SGIP application fee¹) as stated in the attached proposal and SGIP application fees. The application fee reserves SCV Water's rebate value and would be included in the reimbursement following construction of the projects. While TerraVerde Energy's consultant fees are not reimbursable, such support costs were included in the project proforma (cost-benefit analysis). The projects, including application fee and consultant support expenses were not included in the FY 2021/22 Operating Budget. Staff will coordinate with Engineering and Administration to monitor and adjust planned Capital Budget expenses accordingly.

¹ Application fee of 5% of SGIP Incentive Value Estimate. As noted in SGIP Program FAQs, to obtain a reservation, the Applicant must provide the executed (signed) contract, included application fee, for the expected installation in addition to the documents listed in the SGIP Handbook. The SGIP application fee is reimbursable should the Agency choose to withdrawal from the program.

RECOMMENDATIONS

That the Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to enter into agreement with TerraVerde Energy for application preparation and project management of Self Generating Incentive Program projects (Photovoltaic and Battery Storage) funding.

Attachment

MBS

ATTACHMENT

October 13, 2021

Mr. Matt Stone, P.E.
General Manager
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Re: SCVWA NEM Solar & BESS Project Development & Implementation - Proposal for Professional Technical Support Services

Dear Mr. Stone,

In support of the development and implementation of Santa Clarita Valley Water Agency's NEM solar PV & battery energy storage (BESS) projects (the Agency's "Priority 1" projects located at the RVTP and ESTP sites), TerraVerde Energy (TerraVerde) offers the following proposal for professional technical support services associated with:

- SGIP Incentive Applications
- RFP Process & Vendor Contract Negotiations
- Project Implementation Management

Priority 1 Projects

Site Name	Address	Solar PV Size (KWdc)	Solar PV System Type	BESS Size (KWh)	SGIP Incentive Value Estimate	Project Cost Estimate	Post-SGIP Capital Cost	Interconnection Voltage
Rio Vista TP	27234 Bouquet Canyon Rd	N/A	N/A	2,088	\$ 1,017,105	\$ 1,166,446	\$ 149,341	480V
Earl Schmit TP	32700 Lake Hughes Rd	680	Fixed-Tilt	928	\$ 459,000	\$ 1,892,652	\$1,433,652	480V

This proposal includes a scope of Owner's Rep Technical Support Services requested by SCVWA for the development and implementation stages of the two Priority 1 projects listed above starting with the preparation and submittal of SGIP incentives applications for each project (expected November 2021) and ending with construction/installation completion and post-PTO project close-out (estimated Q3/Q4, 2022) of each project.

The primary purpose of TerraVerde's Technical Support Services is to assist the Agency in securing SGIP incentive funds, develop and facilitate an RFP process to select a qualified contractor ("Vendor"), and to ensure compliance to the terms and conditions of the executed contract documents & technical specifications by the Vendor during the design, construction, commissioning, and close-out of the projects, including all critical path project schedule elements, and compliance to the applicable Interconnection Agreements with Southern California Edison (SCE). TerraVerde will operate as an integrated member of SCVWA's project management team which will include Agency Staff, SCVWA's Civil Engineering consultant, SCVWA's electrical inspectors, and TerraVerde.

Scope of Services

TerraVerde will be responsible for the following tasks:

Phase 1 – SGIP Incentive Applications

1. Prepare SGIP Incentive Applications per the SGIP Handbook requirements and submit to the SGIP Administrator for review. Respond to all RFIs and questions from the SGIP Administrator.
2. Track applications and advise SCVWA staff about status.
3. Provide guidance on application fee payments as applicable.

Note: Upon notice by the SGIP Administrator, SCVWA will pay application fees directly to the Administrator. Total estimated fees are: $(\$1,017,105 + \$459,000) \times 5\% = \$73,805$. Fees are requested after applications have been approved by the SGIP Administrator (applicants have 7 days to pay the fees before for the application is cancelled). Application fees can be refunded if the Agency chooses not to move forward with the projects (notice of desire to cancel the applications must be communicated to the SGIP Administrator prior to the “project advancement milestone”, which is no later than 240 days following notice of incentive reservation award). Application fees are refunded to the Agency upon completion of the projects (when PTO is achieved). The first project advancement milestone is satisfied by delivering an executed copy of the contract between the Agency and the Vendor for the projects to the SGIP Administrator (which must occur within 240 days from the notice of incentive reservation award).

Phase 2 – RFP Process & Vendor Contract Negotiations

1. Gather & organize site-specific utility data, documents, and drawings as required to inform the RFP package.
2. Develop an RFP package, including:
 - a. Technical Specifications & General Conditions documents.
 - b. RFP instructions and standardized Submittal Forms to enable efficient evaluation.
 - c. Site-specific reference information and energy data.
 - d. Template contracts (EPC or PPA).
3. Deliver RFP package to SCVWA staff & legal counsel for review and approval (update RFP package as requested).
4. Release RFP package to qualified vendors.
5. Manage Vendor site walk, Vendor Q/A process, RFP addendums, and Vendor communications.
6. Evaluate proposals and provide SCVWA staff with a qualitative & quantitative assessment.
7. Assist SCVWA staff with shortlisting and interviews as applicable and provide a summary of results & considerations for final selection.
8. Assist SCVWA staff & legal counsel with Vendor contract negotiations and oversee value engineering process as applicable.
9. Provide an updated financial analysis based on the negotiated project contract.
10. Provide technical support to the Agency’s CEQA consultant (project specifications and construction activities guidance).
11. Assist SCVWA staff with preparation of documents required for Board approval of the contract, as needed.

Phase 3 – Implementation Management

Upon execution of a contract between SCVWA and the selected Vendor for the design and implementation of the projects, TerraVerde will provide the following services:

1. Coordinate and lead a project kick-off meeting with the Project Team - SCVWA, SCVWA's civil engineering consultant, Vendor, Vendor's sub-contractors, and TerraVerde.
2. Manage project-related Communications, including:
 - a. Coordinate and lead project progress meetings with the Project Team every 2 weeks during the pre-construction stage, and weekly during the construction & commissioning stage.
 - b. Oversee project schedules and assist in optimizing schedules to meet SCVWA's operational requirements.
 - c. Oversee compliance to contract terms and project specifications through all stages of implementation.
 - d. Manage the dissemination of site-specific technical data to Vendor and Vendor's subs.
 - e. Manage technical submittals & RFIs received by Vendor, including SCVWA-approved responses, and maintenance of accurate logs.
 - f. Assist SCVWA staff with formal Agency communication (letters to Vendor) regarding contract issues, as needed.
 - g. Assist SCVWA staff with a Board presentation regarding project status during the implementation process (one issue), if requested.
3. Oversee pre-design process, including:
 - a. Vendor's site due diligence activities, Vendor's findings report, and review sessions with SCVWA staff.
 - b. SCE interconnection applications.
 - c. SGIP incentive reservations and milestone compliance.
 - d. Vendor's project mobilization plans.
4. Oversee the design review & approval process, including:
 - a. Review and comment on Vendor's designs and review with SCVWA staff.
 - b. Confirm Vendor's compliance to technical specifications and design standards.
 - c. Upon achieving Agency-approved final designs, assist SCVWA staff with communication of Notice to Proceed to Construction.
 - d. Confirm Vendor's permitting process requirements, as applicable.
5. Oversee the construction and equipment installation process, including:
 - a. Execution of SCE Interconnections Agreements.
 - b. Site preparation scopes.
 - c. Vendor's compliance to CEQA mitigation tasks, if applicable.
 - d. Vendor's scheduling of outages and other impacts to site operations.
 - e. Assist with coordination of SCVWA's electrical inspections*.
 - f. Achievement of Permission to Operate (PTO) from SCE.
 - g. Solar PV & BESS commissioning process and review of Vendor's reports.
 - h. Confirm monitoring system operation and data transfer.
 - i. Confirm implementation of Performance Monitoring & Reporting Service (PMRS).
 - j. Confirm SGIP application fee refund and initial incentive payment to SCVWA.
 - k. Confirm implementation of new SCE rate schedules, if applicable.
6. Oversee the project closeout process and delivery of final as-built documentation.

7. Provide updated project financials based on the final as-built conditions, project cost, SGIP incentive value, AMS cost, and SCE rate tariffs.
8. Oversee handoff to Asset Management Services Provider.

**SCVWA will retain a professional electrical inspector to inspect all medium voltage and 480V connections and electrical equipment installations for compliance to all applicable codes and standards. TerraVerde will assist with coordination of Vendor and Electrical Inspector for the inspections, and will include the Electrical Inspector's scope, schedule, and deliverables in overseeing the schedule coordination for each site/project.*

Fee

TerraVerde's not-to-exceed (NTE) fixed-fee for the above-described scope of services:

Phase 1 – SGIP Incentives: \$11,000

Phase 2 – RFP Process & Vendor Contract Negotiations: \$89,115

Phase 3 – Implementation Management: \$120,140

Total: \$220,255

Note: This price includes the ACWA Preferred Provider discount, and project-related expenses.

Milestone Schedule for Fee Payments	Amount
1. Submittal of SGIP Applications	\$11,000
2. Release of SCVWA-approved RFP package	\$42,560
3. Delivery of RFP Response Evaluation to SCVWA	\$26,645
4. Execution of Vendor/SCVWA Project Contract	\$19,910
5. SCVWA's NTP for Construction Delivered to Vendor	\$52,965
6. Permission to Operate Received from SCE	\$55,165
7. SCVWA Sign-Off on Project Completion	\$12,010

We trust SCVWA will find our industry leading experience, analytical capabilities, and knowledge of solar PV and BESS project execution to be an excellent fit for the implementation of SCVWA's Priority 1 NEM Solar PV and BESS projects. If you have any questions, please feel free to contact me.

Sincerely,



Kevin Ross, VP Business Development

TerraVerde Energy

949-212-6555

Kevin@terraverde.energy

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**Santa Clarita Valley Water Agency
Water Resources & Watershed Committee and Board Calendar**

**ITEM NO.
7**

FY 2021/22

	Item	Jul 6 Board	Jul 14 Comm	Aug 3 Board	Aug 11 Comm	Sep 7 Board	Sep 8 Comm	Oct 5 Board	Oct 13 Comm	Nov 2 Board	Nov 10 Comm	Nov 16 Board	Dec 7 Board	Dec 8 Comm	Jan 4 Board	Jan 12 Comm	Feb 1 Board	Feb 9 Comm	Mar 1 Board	Mar 9 Comm	Apr 5 Board	Apr 13 Comm	May 3 Board <i>TO BE MOVED</i>	May 11 Comm	Jun 7 Board	Jun 8 Comm
1	Recommend Approval of Amendment to Sites Reservoir Planning Costs Agreement															P	P									
2	Authorize the General Manager to Enter Into Agreement with TerraVerde Energy for Application Preparation and Project Management for Self Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding															P	P									
3	Status of Drought Response and Performance				C		C				C			C		P		P		P		P		P		P
4	Status of Water Supplies													C		P		P		P		P				
5	Status of Sustainability and Climate Action Plan															P										
6	Recommend Adoption of a Resolution Approving the Water Supply Assessment for the Castaic Mountainview Apartment Project																	P	P							
7	Authorize the General Manager to Enter into an Agreement to Fund Planning Costs for the Proposed High Desert Groundwater Banking Program																	P	P							
8	Update on Conservation Activities & Performance		C		C		C		C		C			C				P		P		P		P		P
9	Devil's Den Semi-Annual Report						C	C										P								
10	Status of Recycled Water Program																	P								
11	Recommend that the Board Authorize the General Manager to Enter Into Water Exchange Agreements with Irvine Ranch Water District													C					P							
12	Recommend Approval of a Resolution Adopting Recycled Water Rules and Regulations																			P	P					
13	Status of Sustainable Groundwater Management Act Implementation				C									C						P						
14	Status of Water Supply and Water Banking Programs						C													P						
15	Update on Water Resiliency Plan Initiative Activities																			P						
16	Recommend Adopting a Resolution Authorizing Creation of a Standby Charge for the Tesoro del Val Annexation Area.																					P	P			
17	Authorize General Manager to enter into contracts for Water Resiliency Plan Initiative																					P		P		
18	Review and Discussion of FY 2021/22 and FY 2022/23 Water Resources Operating Budget and Minor and Major Capital Projects Budgets																					P				
19	Status of Sites Reservoir Project, Rosedale-Rio Bravo Water Banking Program and AVEK High Desert Banking Program		C											C												
20	Review of Lawn Replacement Program Evaluation				C																					

**Santa Clarita Valley Water Agency
Water Resources & Watershed Committee and Board Calendar**

**ITEM NO.
7**

FY 2021/22

	Item	Jul 6 Board	Jul 14 Comm	Aug 3 Board	Aug 11 Comm	Sep 7 Board	Sep 8 Comm	Oct 5 Board	Oct 13 Comm	Nov 2 Board	Nov 10 Comm	Nov 16 Board	Dec 7 Board	Dec 8 Comm	Jan 4 Board	Jan 12 Comm	Feb 1 Board	Feb 9 Comm	Mar 1 Board	Mar 9 Comm	Apr 5 Board	Apr 13 Comm	May 3 Board <i>TO BE MOVED</i>	May 11 Comm	Jun 7 Board	Jun 8 Comm
21	Status of Efforts Relating to Groundwater Spreading Pilot Program				C																					
22	Recommend Authorizing the General Manager to Enter into a Contract with Kris Helm Consulting for Water Resources Strategic Planning Services						C	C																		
23	Recommend Approval of Modification to Lawn Replacement Program						C	C																		
24	CLOSED SESSION: Devil's Den Real Property Negotiation and Ongoing Litigation							C																		
25	Status of Devil's Den Solar Generation Facilities							C																		
26	Approve a Resolution Authorizing the General Manager to Apply for Grant Funding Under the Federal Bureau of Reclamation WaterSmart Drought Relief Program for the Rosedale Phase 2 Wells Project								C	C																
27	CLOSED SESSION: Property Negotiation - Water Transfers								C																	
28	Status of Upper Santa Clara River Salt and Nutrient Management Plan								C																	
29	Update on Water Operating Plan and Water Conservation Response Actions								C																	
30	Discuss and Consider Potential Amendment to the Deposit and Funding Agreement between Santa Clarita Valley Water Agency and DACA-Castaic, LLC for Tapia Ranch									C			C													
31	CLOSED SESSION: Anticipated Litigation										C															
32	Consider Adoption of a Resolution to Enact Stage 1 of the Water Shortage Contingency Plan and Water Conservation and Water Supply Shortage Ordinance											C														
33	Authorize the General Manager to Enter into a Lease Agreement with Rolling Hills Farms for the Devil's Den Property												C													
34	Status of Integrated Regional Water Management Plan Update													C												
35	Recommend Authorizing the General Manager to Execute an Construction Contract for Bridgeport Pocket Park - TBD																									

P = Planned
C = Completed
CNL = Cancelled
CNT = Continued Item