



August 25, 2025

SITES PROJECT AUTHORITY

**SITES RESERVOIR PROJECT
INTERIM FUNDING PROGRAM
REQUEST FOR STATEMENTS OF QUALIFICATIONS**

Responses are Due on September 22, 2025

The Sites Project Authority (the “Authority” or “Sites”) is considering putting in place one or more programs for interim financing and refinancing of various capital projects. The Authority plans to use these programs to provide short-term financing during the planning, design, and construction phases of the Sites Reservoir Project (the “Project”), a 1.5 million acre-foot off-stream reservoir near Maxwell, California. Sites would issue long-term debt or draw on federal and/or state loans to retire outstanding short-term debt obligations.

The Authority is planning to establish a list of qualified financial firms from which it will draw as the Project progresses and is, therefore, requesting Statements of Qualifications from interested firms that can provide such short-term financing. The initial funding need is currently expected to be approximately \$500,000,000. This RFQ is not a Request for Proposals (RFP) and will not result in a contract award at this time. It is intended to identify qualified firms for further discussions and possible invitation to submit proposals or negotiate terms.

Interested firms should submit an electronic Statements of Qualifications in [PlanetBids.com](https://www.planetbids.com) by **4:00 p.m.** (Pacific Time) on **September 22, 2025**.

All questions on this solicitation should be submitted in writing at [PlanetBids.com](https://www.planetbids.com). See **Section VII. Delivery Instructions and Questions** for more detail.

I. INTRODUCTION

The Authority is requesting Statements of Qualifications from financial institutions interested in providing interim financing or credit support for the Authority’s planned Sites Reservoir Project (Project). The interim financing will provide funding for the planning, permitting and construction of the Project. The Authority is interested in receiving Statements of Qualifications for financial products including:

- Line of Credit
- Bi-lateral loan or revolving loan agreement
- Credit and liquidity support for Tax-Exempt and/or Taxable Commercial Paper Program (CP)
- Short-Term Notes (BANs or other notes maturing in less than five years)

The Authority is requesting respondents include its recommended financing strategy based on Sites’s interim funding needs as part of their Statement of Qualifications. In particular, should the Authority pursue (1) a short-term bank product (commercial paper, a line of credit or a revolving loan agreement or other similar product), (2) a public issuance of short-term notes or (3) a combination of (1) and (2)?

II. BACKGROUND

Sites Project Authority and Reservoir Committee. The Authority is a joint exercise of powers authority formed on August 26, 2010 pursuant to Government Code Section 6500 et seq and is currently governed by a 9-voting member Board of Directors that includes several local water agencies and counties (refer to **Exhibit 2**). Further, the Authority is the lead agency working with 22 other local agencies (Participants) along with state and federal water agencies to advance the construction of the Project. Certain members of the Authority Board and the Participants executed participation agreements (Phase 1 and Phase 2 Project Agreements) to fund the activities needed to develop a project that was eligible for both California Proposition 1 and Federal Water Infrastructure Improvements for the Nation (WIIN) Act funding and could be permitted by state and federal resource agencies. The Phase 1 Project Agreements provided for a Reservoir Committee consisting of one representative of each entity signing the participation agreement. The Project costs have been apportioned to each of the entities based on a requested annualized acre-foot of water the Project could divert into storage for beneficial uses. The Project is currently in Phase 2, and 22 Participants have continued to advance the Project and pay their share of development costs by executing Phase 2 Project Agreements. See **Exhibit 4** for current Reservoir Committee Member project participation levels as of August 25, 2025. Note that some north-of-Delta landowners may consolidate into one zone of benefit with the Colusa County Flood Control and Water Conservation District. However, for purposes of this solicitation, please assume the project participation levels detailed in Exhibit 4.

Together, the Authority and Reservoir Committee are working with both the U.S. Bureau of Reclamation (Reclamation) and the California Department of Water Resources (DWR) to improve the operation of the state's interdependent water systems for both consumptive and environmental beneficial uses. The Sites Reservoir will provide an additional 1.5 million acre-feet of storage capacity within the Sacramento Valley watershed, which will be operated to provide increased water supplies during drier years and periods of drought.

Sites Reservoir Project. The proposed Project will consist of the construction of a new 1.5 million acre-foot (AF) reservoir off-stream of the Sacramento River, new ancillary facilities, and integration with the existing Reclamation-owned Tehama-Colusa Canal and Glen-Colusa Irrigation District's Main Canal (Refer to Figure 1). The Project is also expected to provide electrical power through conventional hydropower.

The Authority is pursuing a water right permit from the State Water Resources Control Board (SWRCB), which will provide the legal authority to divert water under certain conditions, for a specific purpose, and for use within a specified area. The Authority will be the State designated steward of the water right for the Project. The water right application (Application A025517X01) was filed by the Authority for the Project on May 11, 2022. On June 2, 2023, the SWRCB issued public notice of the water right application for the Project. On August 19, 2024, the Project water right hearing began and concluded in March 2025. The Authority expects a decision from the SWRCB regarding its water right by the end of 2025.

The Authority, acting as the lead agency under the California Environmental Quality Act (CEQA), and Reclamation, acting as the lead agency under the National Environmental Policy Act (NEPA), prepared a Final Environmental Impact Report/Environmental Impact Statement (Final EIR/EIS) for the Sites Project. On November 17, 2023, the Authority Board certified the Final EIR, adopted CEQA Findings and Statement of Overriding Considerations adopted the Mitigation Monitoring and Reporting Program for the Sites Project, and, approved the Sites Project via a board resolution. A CEQA Notice of Determination (NOD) was filed on November 21, 2023, with the relevant county clerks.

The Authority has successfully defended the Final EIR in CEQA litigation (Friends of the River, et al., v Sites Project Authority, et al), aided through the efforts undertaken to comply with California State Senate Bill 149 and its provisions for streamlining judicial review. The Record of Decision by Reclamation is expected in Summer 2025.

The Authority has submitted permit applications and consultation documents with various agencies, including California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, the State Water Resources Control Board, U.S. Army Corps of Engineers, and State Historic Preservation Officer.

The Project's most recent cost estimate as of June 2025 is approximately \$6.2 to \$6.8 billion (2025 dollars), not including an estimated 10% to 15% change order allowance. Funding for the Project is expected to come from local, state, and federal sources using the beneficiary pays principle to allocate the resulting benefits.

Initial State funding for the Project occurred in July 2018 when the Authority secured a commitment for \$816 million of funding from the California Water Commission (CWC) under its Water Storage Investment Program funded by Proposition 1, which was approved by California voters in November 2014. The Project received an additional Prop 1 commitment of \$59 million, bringing the State's current maximum conditional eligibility determination (MCED) to \$875 million.

Federal funding is also being provided. To date, Reclamation has committed \$43.5 million toward early design and permitting costs and a total appropriated sum of \$780 million. Currently, Reclamation is evaluating an increase in its participation from approximately 9% to 16% of Project costs and is committed to securing further appropriations to achieve the additional benefits.

The Authority is also in the process of negotiating the terms of a Water Infrastructure Finance and Innovation Act (WIFIA) loan equal to approximately 49% of construction costs and a USDA Rural Communities Program Loan of up to \$450 million. It is expected that both loan agreements would be executed after the Authority successfully secures the water right for the Project, Participants execute Benefits and Obligations Contracts (BOCs described below) and State and Federal Funding Agreements are executed.

Benefits and Obligations Contracts. The current Phase 2 Project Agreements between SPA and Participants are expected to be in effect until the Project's water right is secured and key environmental milestones have been reached (currently projected to be mid 2026). At that time, Participants that plan to continue their involvement with the Project will execute BOCs that will obligate them during the construction phase of the Project and into the operational phase. The BOC is a take-or-pay agreement and it is expected that Participants will all sign the same BOC. See **Exhibit 5** for the draft of the BOC that was presented at the April 18, 2025 Authority Board meeting. Note the BOC is still under negotiation with Participants.

Phase 2 participants who continue to participate in the Project and execute BOCs will have the opportunity to increase their level of participation to absorb the Project entitlements made available by any members reducing or exiting the Project at the end of Phase 2. With the approval of the Authority and the Reservoir Committee, new participants may also join the Project, if there is sufficient Project capacity.

The Authority is issuing this Request for Statements of Qualifications to identify firms who can assist the Authority secure the financing needed to complete these activities and expects to be in a position to close on its initial tranche of interim financing as early as July 1, 2026.

Amounts borrowed using interim financing vehicles are expected to be refinanced with the proceeds of the Project's WIFIA loan, USDA Loan, and/or the issuance of long-term SPA revenue bonds. The initial funding need is currently expected to be approximately \$500,000,000.

For additional information regarding the Authority and the Project, please see <https://www.sitesproject.org>.

State and Federal Agreements

The Authority and Reclamation are in the process of developing a partnership agreement reflecting Reclamation's participation in the Project. The partnership agreement will define funding from Reclamation in exchange for Reclamation's receipt of water stored in Sites Reservoir. The Authority is also in the process of developing two public benefits agreements and a final funding award agreement with the state: one with DWR for flood control and recreation benefits, and another with the California Department of Fish and Wildlife for ecosystem water. The final funding award agreement will be with the California Water Commission. Current plans are to have these agreements executed following execution of the BOCs by the Participants in approximately mid-2026.

III. SECURITY

All Participants will be required to execute BOCs. The obligation to make debt service payments is the responsibility of the Authority, which will pledge revenues from payments made to the Authority by Participants pursuant to the BOC and not from the California Water Commission (CWC), Reclamation or any other state or federal entity unless such payment is a reimbursement of expenditures made by the Authority. A copy of the Master Resolution, which includes the pledge language as well as rate covenant, additional debt test and other financial covenants, is included as **Exhibit 6**. The Authority expects to amend the Master Resolution to exclude from Revenues (as defined in the Master Resolution) amounts received from the CWC under the Proposition 1 Water Storage Investment Program Contract and amounts received from Reclamation under the Reclamation Partnership Agreement other than amounts received from CWC or Reclamation representing reimbursement for Operation and Maintenance Costs or capital costs, including but not limited to debt service, previously paid by the Authority. The BOCs include provisions and mechanics to address the interim financing obligations of the Participants. Key security features include the following:

Unconditional Payment Obligation. The Benefits and Obligations Contracts contain an unconditional "take or pay" pledge to make all payments to the lender required under interim financing regardless of the status of Project development (see BOC Section 6.8.4).

Revenue Collection. To ensure the timely payment of interim and permanent financing obligations, revenues will generally be collected at least 12 months in advance of financing obligation payment dates. This advance payment mechanism is expected to provide sufficient timing cushion should there be Participant defaults that go uncured beyond prescribed payment deadlines (see BOC Section 6.3).

Liquidity Pledge and Liquidity Reserve. The BOCs include the funding of a Liquidity Reserve and a sufficiency pledge of all Participants to cover shortfalls in the periodic interest payments that will be due during the term of the interim financing in the event of the failure of one or more Project Participants to make timely interest payments. In return for covering the obligations of a defaulting Participant, Participants will receive the entitlements in the Project forfeited by the defaulting member (see Section 3.5 of Master Resolution).

Operating and Maintenance Reserve. The Authority will also fund a Variable Operating and Maintenance Reserve that will be available to fund unanticipated O&M expenses. This reserve will be checked for sufficiency and funded six months in advance of projected potential need.

Ratings. The Authority has received an investment grade credit rating indication from Standard & Poor's in connection with its application for its WIFIA loan and plans to secure a public rating before closing any interim financing. Standard & Poor's evaluated the proposed WIFIA loan obligation based on their "Wholesale Utilities" criteria, published May 24, 2005.

IV. FINANCING TEAM

The Authority's Municipal Advisor is Montague DeRose and Associates. Bond and Disclosure Counsel for the Authority is Stradling Yocca Carlson & Rauth.

V. REQUIRED RESPONSES

Responses to this request for information are limited to no more than twelve (12) pages. Cover letters and appendices do not apply toward the page limit. To maximize space for responses, responders are not required to restate the questions in their responses and responses should use no smaller than 11-point font and margins no narrower than one-inch.

Responses must include the following:

1. *Cover Letter.* Summarize the firm's recommended approach to the Authority's interim funding needs, the qualifications of the firm, and the team members.

2. *Recommended Financing Strategy*

Please provide your recommended financing strategy based on Sites' interim funding needs (e.g., a short-term bank product, commercial paper, a public issuance of short-term notes or other approach). Please indicate if your firm is interested in providing underwriting services for short-term notes, a revolving line of credit, commercial paper credit enhancement, or alternative bank product.

3. *Firm Experience and Ratings*

If your firm is recommending a revolving line of credit, commercial paper credit enhancement or alternative bank product, please indicate the prior experience your financial institution has in providing bank tax-exempt and taxable revolving lines of credit and commercial paper credit enhancement and/or liquidity support for water and wastewater projects in excess of \$50 million since 2020. Experience in California is preferred. Sites encourages Local Area banks to submit experience providing revolving lines of credit and other forms of credit support to water and wastewater entities since 2020. Please be as specific as possible, describing the issuer, program size, and the nature of the project being financed.

Provide the long-term and short-term ratings of your firm.

If your firm is interested in serving as underwriter for Bond Anticipation Notes, please provide your firm's experience providing underwriting services for Bond Anticipation Note offerings since 2020. Experience in California is preferred. Please be as specific as possible, describing the issuer, issue size, and the nature of the project being financed.

4. *Assigned Personnel*

Identify the members of your firm who will be assigned to this engagement, and provide the name, address, telephone number and e-mail address of each. Include a brief biography of each person that specifically addresses relevant water financing experience and a listing of the responsibilities that each will be assigned for this engagement. Indicate how you will ensure the accessibility of key personnel to the Authority during this engagement.

5. *Additional Information*

- a. Please provide any recommended changes to the draft Form of the Benefits and Obligations Contract (**Exhibit 5**) as an attachment to your Statement of Qualifications.
- b. If your firm is interested in providing a revolving line of credit, commercial paper credit enhancement or alternative bank product, please provide a detailed list of the documentation (e.g., credit information, legal opinions, etc.) that would be required by your firm in order to successfully close a transaction. Please describe the firm's credit approval process, and, If available, please provide a sample bank facility document. Indicative Terms and Conditions are provided in **Exhibit 1**. Please note any recommended changes to the indicative Terms and Conditions.
- c. If your firm is interested in providing underwriting services for short-term notes, please provide your firm's thoughts on the key factors affecting the credit and rating, as well as structuring considerations including any tax issues, timing issues and document needs. Please provide a discussion of marketing, market conditions or other factors that you believe are important for the Authority to consider with regard to a public sale.

VI. SCHEDULE

The expected schedule is outlined below. Each proposer must commit to being able to obtain final credit approval on this schedule:

<u>Date</u>	<u>Event</u>
August 25, 2025	RFQ issued
September 3, 2025	Deadline for questions on RFQ (5pm Pacific)
September 10, 2025	Distribution of answers to RFQ questions
September 22, 2025	Statements of Qualifications due (4pm Pacific)
October 17, 2025	Board Approval of Short Listed Firms
June 2026	Execution of Benefits and Obligations Contracts
As early as July 2026	Interim funding product closing

VII. DELIVERY INSTRUCTIONS AND QUESTIONS

Submission of Statements of Qualifications in response to this RFQ will be accepted **only at [PlanetBids.com](https://www.planetbids.com)**. Statements of Qualifications will be accepted until **4:00 p.m. (Pacific Time) on September 22, 2025**. Proposals received after this time will not be accepted.

RFQ Contact Person

Shayleen O'Connell, CPA/ABV/CFF
Finance Manager, Sites Reservoir Project
Email Address: Procurement@sitesproject.org
Subject: SPA Interim Funding Program Statement of Qualifications

Contact procurement@sitesproject.org if you have any questions or issues with PlanetBids.

All questions on this solicitation should be submitted in writing at PlanetBids.com by **5:00 p.m. (Pacific Time)** on **September 3, 2025** and sent to the attention of the RFQ Contact Person listed above. All questions and clarification requests and responses will be provided as an RFQ addendum and will be provided in PlanetBids.com to all potential respondents and all firms.

VIII. STATEMENT OF QUALIFICATION EVALUATION

Statements of Qualifications in response to this RFQ will be evaluated based on the following criteria (not listed in order of importance). As long as the response submitted meets the minimum qualifications, you will be included in the future RFP.:

- Qualifications and experience of firm
- Experience and qualifications of assigned personnel
- Ability to provide required services
- Scope and materiality of proposed changes to attached term sheet

A Statement of Qualifications will be deemed non-responsive and will not be further evaluated or considered if it does not address the requirements of Section V. If respondent does not propose any changes to the Form of the BOC (**Exhibit 5**), please so state in your SOQ response to Section V (5a). If your response does not include any revisions to Exhibit 5, it will be deemed by the Authority that the respondent had no suggestions or proposed changes to the BOC.

IX. RULES AND CONDITIONS

- A. The Authority reserves the right to reject any and all Statements of Qualifications, to waive any irregularities in such, to request clarifications or additional information from any institution and to effect any agreement deemed by the Authority to be in the Authority's best interest.
- B. The Authority will not reimburse institutions for any costs associated with the preparation or submittal of any Statement of Qualifications nor for any travel and/or per diem expenses incurred in any presentations of such information.
- C. Nothing in this RFQ, the Statement of Qualifications, or the Authority's acceptance of any Statement of Qualifications in whole or in part shall obligate the Authority to complete negotiation with the related institution. The Authority will not provide an engagement letter to any institution. The Authority reserves the right, in its sole discretion, to end negotiations with an institution at any time up to the consummation of the transaction arising from this RFQ without any obligation to pay any fees or expenses to the institution or its counsel.
- D. All material submitted in response to this solicitation will become the property of the Authority and will not be returned. Material will be a public record subject to the disclosure provisions of the California Public Records Act (Government Code, Section 7920, et seq.)

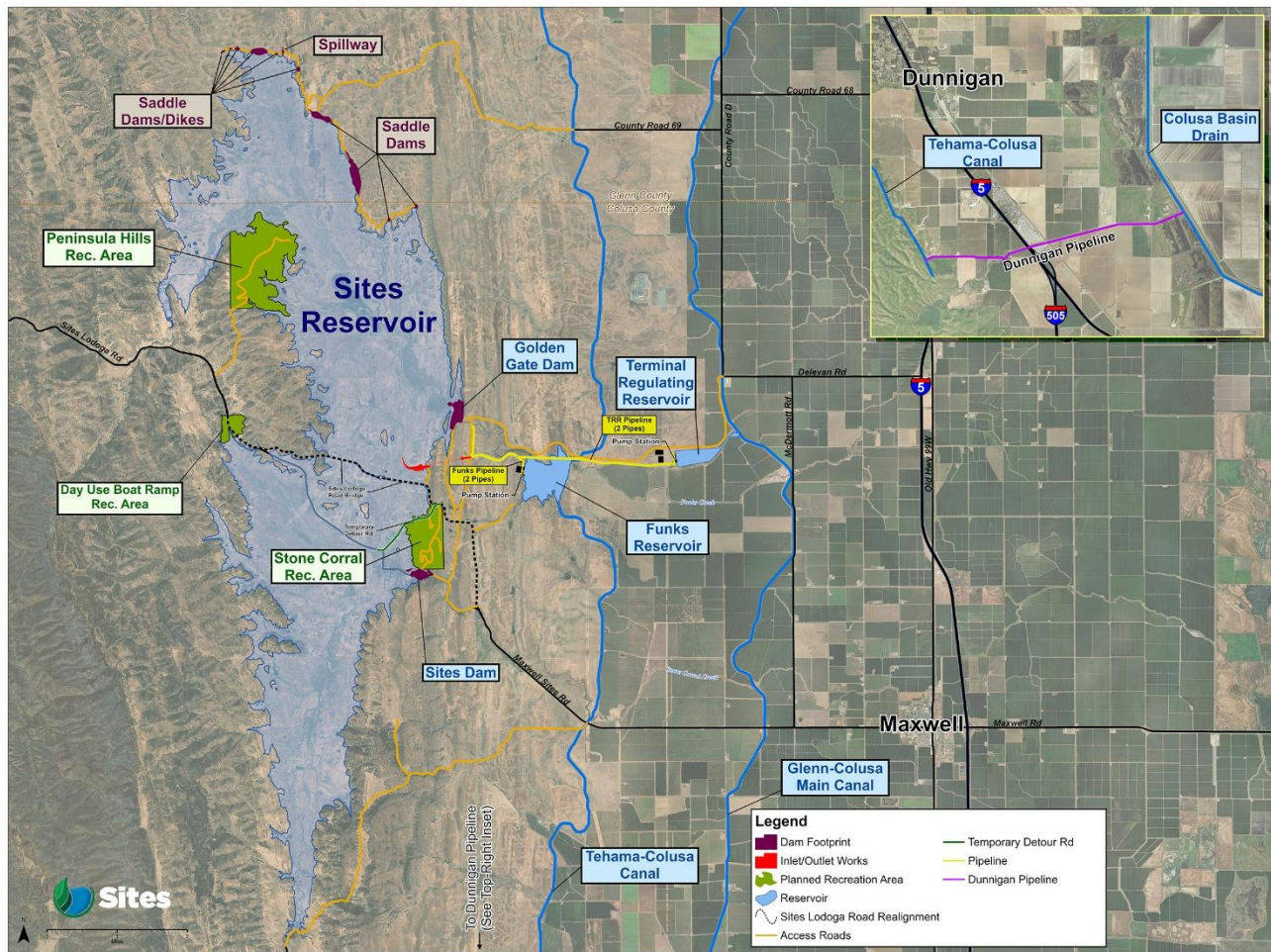
[see list of Attachments on next page]

Attachments:

- Figure 1 – Sites Reservoir Project - Proposed Facilities
- Figure 2 – Sites Reservoir Project - Project Construction Timeline

- Exhibit 1 – Sample Revolving Line of Credit Term Sheet
- Exhibit 2 – Fourth Amended and Restated Joint Exercise of Powers Agreement
- Exhibit 3 – Sites Project Authority Board & Reservoir Committee Participating Agencies
- Exhibit 4 – Reservoir Committee Member Current Project Participation Levels
- Exhibit 5 – Form of Benefits and Obligations Contract
- Exhibit 6 – Master Resolution

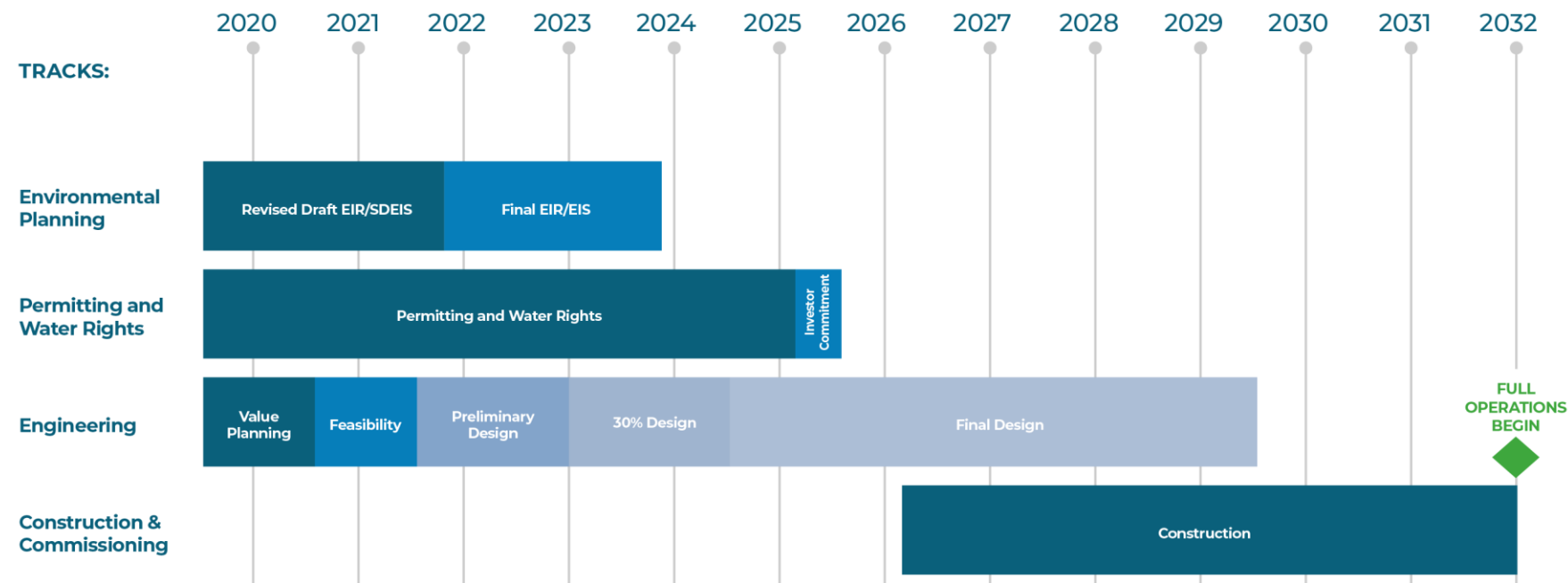
Figure 1: Sites Reservoir Project - Proposed Facilities



Source: [Informational Materials - Map](#)

Figure 2: Sites Reservoir Project – Project Construction Timeline

Construction is scheduled to begin in 2026. Sites Reservoir is anticipated to be operational at the end of 2032.



Source: [About Sites Reservoir](#)



SAMPLE REVOLVING LINE OF CREDIT TERM SHEET

Sites Project Authority

Sites Reservoir Project

Obligor:	Sites Project Authority (the Obligor).
Facility and Purpose:	A revolving purchase facility (Facility) that allows both tax-exempt and taxable draws. The obligation of the Obligor to repay each amount advanced under the Facility will be evidenced by a Note (as defined below) payable to the Bank.
Facility Amount:	Minimum principal amount of \$100,000,000 Maximum principal amount of up to \$500,000,000, depending on Maturity Date of Facility.
Documentation:	The Financing Documents will consist of 1) the Revolving Credit Purchase Agreement (Agreement), which will, subject to the terms and conditions set forth in the Agreement, obligate the Bank to make advances (Advances) by purchasing a Note up to the Facility Amount and 2) a promissory note issued by the Obligor to the Bank in an amount equal to the outstanding amount of the Advance made under the Agreement plus interest thereon (Note). The Agreement will contain standard closing conditions, conditions to making Advances, representations and warranties, events of defaults and remedies. The Obligor prefers not to enter into financial covenants that vary from the financial covenants contained in the Master Resolution.
First Interest Payment Date:	_____, 202__
Maturity Date:	_____, 202__
Tax Treatment:	The Facility should allow for both taxable and tax-exempt draws. For the tax-exempt draws, the Obligor shall take all steps necessary to maintain such tax-exempt status. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank and its counsel which concludes that interest on each tax-exempt Advance is excludable from gross income for federal income tax purposes.
Security:	[First lien/subordinate lien] on all payments received by the Authority from Project participants executing the Benefits and Obligations Contract.
Advance Mechanics:	<p>The Bank shall make Advances pursuant to the Agreement to purchase Notes from the closing to the Maturity Date in an aggregate amount not to exceed the Maximum Facility Amount.</p> <ul style="list-style-type: none">• Advances: Minimum amount of \$1,000,000 (subject to negotiation with the Obligor).

- Frequency: Up to four advances per calendar month.
- Notice: 5 Business Days

INTEREST RATES AND OTHER KEY PROVISIONS:

Drawn Rate:

The Advances shall initially bear interest at a per annum rate of interest equal to the sum of (i) the product of the [Index] and the Applicable Factor and (ii) the Applicable Spread (Drawn Rate).

Draw Type	Applicable Factor and	Applicable Spread
Tax-exempt	[]% of [Index]	[] basis points
Taxable	[]% of [Index]	[] basis points

The Advances shall bear interest at the Drawn Rate so long as no Event of Default exists.

Interest on Advances shall be payable on the first Business Day of each calendar month.

The Drawn Rate will be subject to adjustment as described below.

At any time when [Index] is less than 0.0%, [Index] shall be deemed to be 0.0% for purposes of calculating the Index Rate.

Undrawn Fee:

The Obligor shall pay to the Bank an Undrawn Fee based upon the Bank's Undrawn Commitment (i.e. the difference between the total Commitment under the Agreement less the outstanding principal amount of Advances made by the Bank) equal to pricing outlined below, calculated on the basis of a 360 day year and the actual days elapsed, which Undrawn Fee shall be paid quarterly in arrears on the first Business day of the following calendar quarter.

Term Out:

So long as no default or event of default shall have occurred and is continuing on the scheduled Commitment Termination Date and all representations and warranties are true and correct on such Commitment Termination Date, any outstanding Advances shall automatically be converted to be a fully amortizing term loan, which shall be repaid in full by the [] anniversary of the date of the Commitment Termination Date. The Term Loan shall be amortized quarterly. Interest on the outstanding Advances from the scheduled Commitment Termination Date shall accrue at the Bank Rate (as described below) and is payable monthly in arrears on the first business day of each month.

Ratings:

The Authority does not currently carry any public debt but expects to have an investment grade public rating in the A category during the term of this facility. Pricing provided should assume maintenance of an investment grade rating in the A category.

Computation Basis: Computations of interest shall be calculated on the basis of a 360-day year and actual days elapsed.

Base Rate: []

Bank Rate: Days 1 – []: Base Rate
Thereafter: Base Rate plus []%

Default Rate: Base Rate plus []%.

OTHER FEES AND EXPENSES:

**Termination/
Reduction Fee:** Obligor will have the right to terminate the facility at any time with 30 days' written notice.

If the Facility is terminated for any reason within the first year following its delivery, on the date of termination, the Obligor will be required to pay (i) all amounts then due and owing to the Bank and (ii) [].

PAYMENT OF FEES AND EXPENSES:

Prepayment: Permitted in whole or in part on any interest payment date, with prior notice but without premium or penalty and including accrued and unpaid interest, subject to limitations as to minimum amounts of prepayments.

Maximum Rate: 12%

EVENTS OF DEFAULT:

Events of Default: The Facility will include customary events of default including, but not limited to, failure to pay facility fees and other amounts payable under the Agreement; failure to pay any debt of the Obligor payable from or secured by revenues of the Authority on a basis that is senior to or on a parity with the Advances; any material representation or warranty of the Obligor is not true when made; invalidity; debt restructuring, debt adjustment or other comparable restriction imposed on repayment of debt of the Obligor; repudiation or moratorium; breach of covenants; cross-default with respect to senior or parity debt.

Remedies Upon Event of Default: Remedies upon default shall include the Bank's right to declare all amounts owed under the Facility to be due and payable immediately; exercise any other rights or remedies available at law or in equity or under the Financing Documents.

DOCUMENTATION AND COVENANTS:

General: Documentation will include the Revolving Purchase Facility Agreement prepared by Bank Counsel. The Credit Agreement will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies (including acceleration of the Obligor's obligations under the Facility, if applicable).

Conditions Precedent to Closing: Standard for facilities of this type, including but not limited to, delivery of satisfactory loan documents; delivery of the most recent audited financial statements for the Obligor; receipt of certificate of incumbency authorizing parties to sign the Credit Agreement and delivery of satisfactory opinions of counsel.

Closing and drawing on the Facility is not conditioned on the closing of a WIFIA loan to be secured by the Authority.

Financial Covenants: The Obligor shall charge and collect amounts under the Benefits and Obligations Contract sufficient to achieve [1.00 times] aggregate debt service and all other obligations of the Authority as set forth in the Master Resolution. Please refer to the Master Resolution in Exhibit 6 for the additional debt test, which reflects the need of the Obligor to complete construction of the Project.

Reporting Requirements: Usual and customary for a transaction of this nature, including but not limited to; delivery of audited annual financial statements and certificate of no default within [270] days of fiscal year-end, notices of default, material litigation proceedings, and notification of EMMA disclosures.

Other Covenants: The Financing Documents will include customary affirmative covenants including, without limitation, the delivery of financial statements, reports, accountants' letters, officers' certificates and other information requested by the Bank; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws (including environmental laws and material contractual obligations); maintenance of property and insurance; maintenance of books and records; right of the Bank to inspect property and books and records; notices of defaults, litigation and other material events; compliance with all covenants of the related transaction documents; incorporation of covenants in related transaction documents by reference; OFAC related provisions; agreement not to assert the defense of sovereign immunity; and compliance with rate covenant.

The Financing Documents will contain customary negative covenants, including, without limitation, restrictions on the following: no amendments to related transaction documents; limitations on liens and

encumbrances; limitation on additional indebtedness; [and limitations on sale, lease and transfer of assets]. Note that the Authority will not consent to any Most Favored Nations provisions or covenants.

Taxability: In the event a determination of taxability shall occur on a tax-exempt draw, all Advances and any Term Loan shall bear interest at the Taxable Rate, and in addition to the amounts required to be paid under the Financing Documents, the Obligor shall be obligated to pay to the Bank an amount equal to a) the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Advances of Term Loan, as applicable, had borne interest at the Taxable Rate and the interest actually paid to the Bank and b) any payments, including any taxes, interest, penalties or other charges.

**Taxable Rate for
Tax-Exempt Draws:** The product of (i) the Drawn Rate or Term Loan Rate, as applicable, and (ii) 1.[].

CHOICE OF LAW/ JUDICIAL REFERENCE /VENUE:

Governing Law: This Term Sheet, the Revolving Purchase Facility Agreement, and any other documents to which the Bank shall become a party will be governed by the laws of the State of California.

Judicial Reference: The Obligor agrees to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties to the Agreement arising out of, in connection with or otherwise related or incidental to the Agreement to a judicial referee who will be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The Obligor and the Bank will select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the Obligor and the Bank cannot agree upon a referee, the referee will be appointed by the court.

Venue: Any litigation involving the Bank shall be brought in the appropriate California state or federal court having jurisdiction over the matter.



Exhibit 2

FOURTH AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

See publicly available Fourth Amended and Restated Joint Exercise of Power Agreement [here](#).



**SITES PROJECT AUTHORITY BOARD &
RESERVOIR COMMITTEE MEMBERS**

Authority Member Agencies:

1. Colusa County
2. Colusa County Water District
3. Glenn-Colusa Irrigation District
4. Glenn County
5. Placer County Water Agency &
Roseville, City of
6. Reclamation District 108
7. Sacramento Co Water Agency &
Sacramento, City of
8. Tehama-Colusa Canal Authority
9. Westside Water District

Non-Voting Members of the Authority:

Western Canal Water District (Associate
Member)
Zone 3 – Colusa County Flood Control
Water Conservation District (Associate
Member)
Department of Water Resources (Ex Officio)
US Bureau of Reclamation (Cost-share
partner)

**Reservoir Committee Members, Beyond the
Sacramento Valley**

11. Antelope Valley-East Kern Water Agency
12. Coachella Valley Water District
13. Desert Water Agency
14. Irvine Ranch Water District
15. Metropolitan Water District
16. Rosedale-Rio Bravo Water Storage District
17. San Bernardino Valley Muni Water District
18. San Geronio Pass Water Agency
19. Santa Clara Valley Water District
20. Santa Clarita Water Agency
21. Wheeler Ridge-Maricopa Water Storage
District
22. Zone 7 Water Agency

**Reservoir Committee Members, Sacramento
Valley**

1. American Canyon, City of
2. Colusa County (A)
3. Colusa County Water District (A)
4. Cortina Water District
5. Davis Water District
6. Dunnigan Water District
7. Glenn-Colusa Irrigation District (A)
8. LaGrande Water District
9. Reclamation District 108 (A)
10. Westside Water District (A)

“A” Denotes also an Authority Member



Exhibit 4

PHASE 2 RESERVOIR COMMITTEE PROJECT PARTICIPATION LEVELS

Participant	Participation (Acre-Foot Storage/ Year)	
	Preliminary	Percent
Antelope Valley-East Kern Water Agency	2,900.00	0.20%
City of American Canyon	23,197.00	1.61%
Coachella Valley Water District	57,993.00	4.03%
Colusa County	57,993.00	4.03%
Colusa County Water District	53,678.00	3.73%
Cortina Water District	2,610.00	0.18%
Davis Water District	11,599.00	0.81%
Desert Water Agency	37,695.00	2.62%
Dunnigan Water District	17,236.00	1.20%
Glenn-Colusa Irrigation District	28,996.00	2.01%
Irvine Ranch Water District	5,799.00	0.40%
La Grande Water District	5,799.00	0.40%
Metropolitan Water District of Southern California	289,965.00	20.14%
Reclamation District 108	23,197.00	1.61%
Rosedale-Rio Bravo Water Storage District	2,900.00	0.20%
San Bernardino Valley Municipal Water District	124,105.00	8.62%
San Geronio Pass Water Agency	81,190.00	5.64%
Santa Clara Valley Water District	2,900.00	0.20%
Santa Clarita Valley Water Agency	28,996.00	2.01%
Westside Water District	31,171.00	2.16%
Wheeler Ridge-Maricopa Water Storage District	17,688.00	1.23%
Zone 7 Water Agency	57,993.00	4.03%
Potential new participants	TBD	%
Total:	965,600	100.0%



Exhibit 5

**FORM OF BENEFITS AND OBLIGATIONS CONTRACT
(DRAFT)**

See publicly available draft of the Form of Benefits and Obligations Contract [here](#).



MASTER RESOLUTION

See publicly available Master Resolution [here](#).

Note, as stated, the Master Resolution is currently in the process of being amended to revise the definition of Revenues to not include amounts received by the Authority from CWC and Reclamation other than amounts received from CWC or Reclamation representing reimbursement for Operation and Maintenance Costs or capital costs, including but not limited to debt service, previously paid by the Authority.