

[Note: This Draft of the Joint Powers Agreement is being provided as a draft, and the terms reflected in this draft remain subject to further revision and negotiation among the parties involved.]

FIFTH AMENDED AND RESTATED
SITES PROJECT AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT

This Joint Powers Agreement (“Agreement”) is made and entered into by and among Colusa County Water District (CCWD), County of Colusa (Colusa County), County of Glenn (Glenn County), Glenn-Colusa Irrigation District (GCID), Reclamation District 108 (RD 108), Tehama-Colusa Canal Authority (TCCA), Westside Water District (WWD), and Western Canal Water District (WCWD), jointly, Placer County Water Agency and City of Roseville (PCWA/Roseville), jointly, Sacramento County Water Agency and City of Sacramento, each referred to herein individually as an “Authority Member” or collectively as “Authority Members”.

RECITALS

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

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

Sites Reservoir has been identified by the State of California and the federal government as an important component of integrated water management in the Sacramento River watershed that could support the state’s co-equal policy to improve water management and restore the ecological health for beneficial uses of the Sacramento-San Joaquin Delta and the Sacramento River watershed;

The principal purpose of this Agreement is to establish an independent special agency, known as the Sites Project Authority (“Authority”), that will have as its mission, to be a proponent and facilitator to design, permit, acquire, construct, manage, govern, maintain and operate Sites Reservoir and related facilities (the “Project”);

Each Authority Member is uniquely authorized and situated with respect to the Project and the related facilities to help design, permit, acquire, construct, manage, govern, and operate the Project to provide local, regional, and statewide public benefits and improve the state’s water system;

Certain Authority Members executed the Memorandum of Understanding Between the Department of Water Resources, the United States Bureau of Reclamation, the Western Area

Power Administration, the California Department of Fish and Game, the United States Fish and Wildlife Service, the Glenn-Colusa Irrigation District, the Tehama-Colusa Canal Authority, and Other CalFed Agencies and Local Interests Pursuant to the Directive with Respect to Sites Reservoir Contained in the CalFed Bay-Delta program Programmatic Record of Decision, August 28, 2000;

In August 2010, Glenn-Colusa Irrigation District, Reclamation District 108, Tehama-Colusa Canal Authority, Maxwell Irrigation District, County of Glenn, County of Colusa, Yolo County Flood and Water Conservation District entered into an Agreement creating a public entity known as the Sites Project Authority.

In November of 2023, the Sites Project Authority approved for certification the Final EIR and associated Mitigation Monitoring and Reporting Program, which was jointly prepared with the Bureau of Reclamation's Final EIS which culminated in a Record of Decision being issued on XX;

The Authority expects to (i) obtain the Sites Water Right permit and critical state and federal permits covering the construction and operations of the Project, (ii) execute Benefits & Obligations Contracts with governmental entities related to their investment in the Project, and (iii) execute State and Federal Contracts with State and federal agencies for their participation in the Project;

Numerous changes in Authority membership have occurred since 2010, and the current membership of the Authority is reflected in the opening paragraph of this Agreement.

By this Fifth Amended and Restated Agreement, the Authority Members wish to establish the terms and conditions governing the Authority's functions during the final design, construction and operations phases of the Project.

AGREEMENT

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

I. DEFINITIONS

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

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

1.2. Authority: The legal entity defined in this Agreement for the Sites Project Authority as organized by this Agreement.

1.3. Authority Member: An entity that meets the requirements of California Water Code § 79759 (a) or (b) and that is listed in the opening paragraph of this Agreement.

1.4. Benefits & Obligations Contract: The contract entered into by and between the Authority and each Project Participant governing each Project Participant's right to water service and Project water, storage capacity and conveyance capacity, and related rights, duties and obligations.

1.5. Board of Directors or Authority Board: The governing body of the Authority as established in Article IV of this Agreement.

1.6. Bylaws: Additional requirements to those contained in this Agreement related to the implementation of the Project; assigning delegations of authority, decision-making and dispute resolution; roles and responsibilities for Authority Board and Reservoir Management Board; membership types; and cost management.

1.7. Ex-Officio Member: The California Department of Water Resources ("DWR"), subject to the terms and conditions of Section 3.2 of this Agreement.

1.8. Project Participant: An agency, entity or company, that may or may not be an Authority Member and is entitled to a capacity interest in the Project as a signatory to the Benefits & Obligations Contract. In the case where DWR signs the Benefits & Obligations Contract on behalf of a Project Participant whose Project costs are included on that Project Participant's Statement of Charges, the Project Participant is considered the signatory for purposes of this Agreement and the Bylaws. The Bylaws and the Benefits & Obligations Contract provide for the rights, duties and obligations of the Project Participants.

1.9. Reservoir Management Board: The committee formed and existing pursuant to Section 3.5 of this Agreement, composed of representatives of Project Participants.

1.10. State and Federal Contracts: Contracts between the Authority and State and Federal agencies concerning Project funding, permitting, and operations, including, without limitation, the Proposition 1 Water Storage Investment Program Contract and the Reclamation Partnership Agreement, or each of them as the context requires, but excluding any agreement the Authority enters into with a federal agency pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA).

II. PURPOSES AND POWERS

2.1 Creation: Pursuant to the Joint Exercise of Powers Act ("Act"), California Government Code Section 6500 et seq., and this Agreement, the Authority is duly formed and existing, and is a distinct public agency that is separate from its Authority Members.

2.2 Purpose: The purpose of this Agreement is to establish an independent JPA to exercise powers specifically identified herein that are common to the Authority Members to, among other

things, effectively study, promote, develop, permit, design, finance, acquire, construct, manage, and operate the Project. The purposes of pursuing and developing the Project are to: enhance water management flexibility in the Sacramento Valley, increase the reliability of water supplies in California, and provide storage and operational benefits to enhance water supply reliability and improve water quality and ecosystems.

2.3. Reserved Powers: Subject to the terms and conditions of this Agreement and the Bylaws, the Authority Board shall have sole responsibility for the following Project elements, referred to in this Agreement as the “Reserved Powers”:

- 2.3.1. Securing and maintaining the Project’s water rights permits and licenses from the State Water Resources Control Board, and ensuring that Project operations comply with the permits and licenses;
- 2.3.2. Securing and maintaining environmental approvals necessary and appropriate for the Project, including without limitation such approvals and certifications as are required by the California Environmental Quality Act and the National Environmental Protection Act, and ensuring that Project operations comply with such approvals and certifications;
- 2.3.3. Entering into and administering contracts with federal and state agencies necessary and appropriate for the Project, and ensuring that Project operations comply with such contracts.
- 2.3.4. Exercising the power of eminent domain to acquire such interests in real property as are necessary and appropriate for the Project, and holding title to such property interests;
- 2.3.5. Securing such funding as is necessary and appropriate for the Project from any federal, state or local public agency or program, including without limitation from Proposition 1 (California Water Code § 79750 *et seq.*) and WIFIA, and ensuring that Project design, construction, operations and maintenance comply with any applicable financial instruments secured by the Authority in accordance with the Benefits & Obligations Contract;
- 2.3.7. Retaining and managing all contracts for accounting and auditing services, and ensuring compliance with all accounting and auditing laws, rules and regulations applicable to the Authority and the Project.
- 2.3.8. Engaging in local community relations.
- 2.3.9. Approving the budget for the Project as the Reservoir Management Board develops and amends from time to time pursuant to the Bylaws, which approval shall not be withheld, conditioned, or delayed absent the Authority Board’s demonstration that the budget would either (1) be contrary to law, including rules provided for under

any Project permit or entitlement, or (2) violate any contract, including without limitation the Benefits & Obligations Contract, a State or Federal Contract, or any financing contract.

2.4. Exercise of Reserved Powers: Subject to the terms and conditions of this Agreement and the Bylaws, the Authority Board shall have the power to undertake the following in its exercise of the Reserved Powers, and in effectuating the Reservoir Management Board's Delegated Authorities as needed:

- 2.4.1. make and enter into contracts necessary for the full exercise of its Reserved Powers;
- 2.4.2. perform studies, environmental review, engineering and design, and if appropriate, permitting, construction of water storage, and related conjunctive management;
- 2.4.3. contract for the services of engineers, attorneys, scientists, planners, financial consultants, and separate and apart therefrom, to employ such persons as it deems necessary;
- 2.4.4. apply for, accept, and receive permits, licenses, grants, loans, or other funding from any federal, state or local public agency;
- 2.4.5. issue revenue bonds and other forms of indebtedness to the extent, and on the terms, provided by the Act;
- 2.4.6. incur debts, liabilities, and obligations;
- 2.4.7. adopt bylaws, rules, regulations, policies and procedures, governing the operation of the Authority and the Project; and
- 2.4.8. delegate levels of authority to the Reservoir Management Board and other advisory groups as the Authority Board deems appropriate and consistent with the requirements specified in the Bylaws.

2.5. Manner of Exercise of Powers: To the extent not specifically provided for in this Agreement or the Act, the Authority shall exercise its powers subject to the restrictions upon the manner of exercising the powers under the laws applicable to the Glenn-Colusa Irrigation District.

2.6. GCID, RD 108 and TCCA Operations: The Authority Members anticipate that the Project will be within or adjacent to GCID, RD 108, and/or TCCA districts with at least a portion of the conveyance of water into the Sites Reservoir to be accomplished by wheeling water through GCID's Main Canal, facilities that currently exist or that might in the future be constructed within the boundaries of RD 108, and/or the Tehama-Colusa Canal. Notwithstanding anything to the contrary in the Bylaws, the Benefits & Obligations Contract, or any other Authority document, record or instrument concerning Project operations or governance, as the same may now exist or be amended from time to time, in no event shall the Authority have the power, except with the

express written consent of GCID, RD 108 and/or TCCA, depending on which facilities are at issue, to enter into any agreements or otherwise take any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of GCID, RD 108 and/or TCCA (and, in the case of TCCA, the water agencies it serves) or the operations of their facilities or any facilities they operate under contract.

2.7. Maxwell Irrigation District (MID) Operations: The Authority Members anticipate that the Project could affect certain of MID's water rights downstream of Sites Reservoir. With respect to such of MID's rights, the Authority acknowledges and affirms its obligations to MID as identified in that certain *Memorandum of Understanding Regarding Maxwell Irrigation District Water Rights and Sites Reservoir*.

2. 8. Counties' Powers: Nothing in this Agreement shall be construed as the surrender or relinquishment of the land use authorities as provided by law of the County of Colusa, the County of Glenn, or the County of Yolo.

III. AUTHORITY MEMBERSHIP

3.1. Generally: Authority Members comprise the public agencies (as defined in Section 6500 of the Act) that are authorized under the Act and Proposition 1 to be Authority Members and that are signatories to this Agreement.

3.2. DWR and Bureau of Reclamation: The Authority may enter into a State or Federal Contract, as applicable, with the California Department of Water Resources (DWR) and/or the Bureau of Reclamation (Reclamation) to carry out the purposes of this Agreement. Pursuant to Water Code section 79759(b), DWR shall be an Ex-Officio Member of the Authority, but shall be non-voting and "shall not control the governance, management, or operation" of the Project. DWR shall not be a Project Participant.

3.3. Addition of Members: Entities authorized by law to participate in a JPA located within the Sacramento River watershed may subsequently become Authority Members upon an affirmative vote of at least seventy-five percent (75%) of the total number of the governing boards of the Authority Members and the new Authority Member's execution of this Agreement, as it may have been amended. An entity requesting to become an Authority Member shall provide certification of compliance with the membership requirements of this Agreement and the Bylaws. The entity requesting to become an Authority Member may represent a group of other entities. Terms and conditions for new Authority Member's participation in the Authority, if any, shall be set forth in an amendment to this Agreement or in the Bylaws. Such terms and conditions shall be consistent with this Agreement and any contracts, resolutions, or indentures of the Authority then in effect.

3.4. Associate Member: Either (1) a public agency that has as its sole or a principal power the supplying of water (and/or power) to other entities or to retail water (and/or power) users that also meets the joint powers authority membership requirements of California Water Code § 79759 (a) & (b), but elects to accept an advisory role from the Authority, (2) a non-profit mutual water company that complies with the non- profit JPA membership requirements of California Water Code § 79759 (b), but elects to

accept an advisory role from the Authority, or (3) a Project Participant that opts to serve on the Authority Board as a non-voting member, all as further subject to Section 7.4 of the Bylaws.

3.5. Reservoir Management Board: There is hereby formed a Reservoir Management Board composed of representatives of Project Participants. The Reservoir Management Board functions to exercise the “Delegated Authorities”, which are all such powers to design, construct, operate and maintain the Project, and which are not Reserved Powers defined in Section 2.3, and which are more particularly described in Section 10 of the Bylaws. The charter for the Reservoir Management Board, including conditions of membership and the manner in which it conducts itself, is set forth in the Bylaws.

IV. GOVERNANCE AND INTERNAL ORGANIZATION

4.1. Board of Directors: The governing body of the Authority shall be the Board of Directors (Authority Board) that will conduct all business on behalf of the Authority consistent with this Agreement, the Bylaws and applicable law. The Authority Board will consist of one representative of each Authority Member. To remain in an active status, each Authority Member having representation on the Authority Board shall be in good standing as defined in the Bylaws.

4.2. Appointment: Each Authority Member shall appoint a Director to the Authority Board. Each Authority Member shall also be entitled to appoint an Alternate Director to the Authority Board. The role of the Alternate Director shall be to assume the duties of an Authority Member’s Director in case of the absence or unavailability of such Director.

Should a Director who is an officer of the Authority Board not be in attendance, the Authority Member’s Alternate Director shall not assume the duties of the officer. Should the Chair be absent, the Vice-Chair shall assume the Chair’s responsibilities until the Chair is present, and if both are absent the Authority Board may appoint a temporary Chair.

Directors and Alternates both serve at the pleasure of the governing body of their respective Authority Member. Authority Members shall communicate their Director and Alternate selections, and any changes thereto, to the Authority in writing. Each Authority Member is entitled to one vote, either by its Director or the Alternate, at a meeting of the Authority Board.

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

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

4.5. Voting:

- 4.5.1. Material Change and Shared Decision Items are those matters specifically identified as such in the Bylaws and require (i) a seventy-five percent (75%) vote of the total number of Directors and (ii) at least seventy-five (75%) of the of the Reservoir Management Board weighted vote, unless otherwise specified in the Bylaws.
- 4.5.2. Routine Matters or Non-Material Change and Shared Decisions Items Before the Authority: The Authority Board shall take action only upon an affirmative vote of a majority of the total number of Directors.
- 4.5.3. Material Change Items Before the Authority: Regarding a Material Change before the Authority Board only, the Authority Board shall take action only upon an affirmative vote of a at least seventy-five percent (75%) of the total number of Directors. Such changes are expressly provided for in this Agreement, and include, without limitation, those identified in Sections 3.3, 7.3, and 8.1.

4.6. Officers:

- 4.6.1. The Authority Board shall select from among the Directors a Chair, who will be the presiding officer for all Authority Board meetings, and a Vice-Chair, who will preside in the absence of the Chair.
- 4.6.2. The Authority Board shall select a Treasurer, who need not be a Director and who shall be the depository and have custody of all money of the Authority and shall perform the duties specified in Government Code section 6505.5. The Treasurer shall be bonded in accordance with Government Code section 6505.1 and shall pay all demands against the Authority that have been approved by the Authority Board.
- 4.6.3. The Authority Board shall select a Secretary, who need not be a Director and who shall be responsible for keeping the minutes of all meetings of the Authority Board and all other official records of the Authority. The Authority Board may combine the positions of Secretary and Treasurer.
- 4.6.4. The Bylaws may further address the duties, responsibilities and administrative requirements for the officers.

4.7. [Reserved]

4.8. Liability of Authority, Officers, and Employees: The Directors, officers, and any employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Director, officer, employee or agent will be responsible under this Agreement for any act or omission by another Authority Member, Authority Board officer, or Authority contractor or employee. The Authority shall indemnify and hold harmless the Authority Members, Authority Board officers, and Authority employees or consultants, for any action taken lawfully and in good faith pursuant to

this Agreement. Nothing in this section shall be construed to limit the defenses available under the law, to the Authority Members, the Authority, or its Directors, officers, employees or agents.

V. FINANCIAL PROVISIONS

5.1. The terms and conditions of this Article V pertain only to those funds that are generated solely by Authority Members for the administration of the Authority.

5.2. Fiscal Year: The fiscal year shall run concurrent with the calendar year, unless the Authority Board decides otherwise.

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

5.3. Budgets of the Authority Board: A draft Authority Board budget will be prepared for the Authority Members to review at least 45 days before the beginning of the Authority's next fiscal year. The Authority Board shall approve the budget no later than 15 days before the beginning of the fiscal year. The budget shall include: Project-specific costs, as distinct from general and administrative costs of the Authority, shall be fully described and specified in the Benefits & Obligations Contract or applicable State or Federal Contracts. Consistent with Section 5.1 above, the Authority Board shall ensure that all costs incurred by the Authority directly relating to the Project, if any, will be paid only by the Project Participants in the manner provided for in the Benefits & Obligations Contract or any State or Federal Contract, and will not be paid for by the Authority as general and administrative costs. The Bylaws may include additional requirements and criteria for such costs.

5.4. Recovery of General and Administrative Costs:

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

5.4.2. General and administrative costs incurred by the Authority in carrying out its purposes, as described in Section 5.3, shall be shared by the Authority Members as determined by the Authority Board.

5.4.3. The Authority shall periodically, as necessary, issue an invoice to each Authority Member reflecting the expenses attributable to that Authority Member in accordance with this Agreement.

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

5.5. Recovery of Project Operations Costs: The Benefits & Obligations Contract and applicable State and Federal Contracts shall specify the requirements for recovery of costs related to Project operations..

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

5.7. Bonds: The Authority Board may, from time to time, designate the officers or other persons who have charge of, handle, or have access to any property of the Authority and shall require such officers or persons to file an official bond in an amount to be fixed by the Authority Board.

5.8. Authority Members' Limited Liability: As provided by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities, and obligations of the Authority only, and not of the constituent Authority Members.

VI. BENEFITS & OBLIGATIONS CONTRACT

6.1. General: The Authority intends to carry out the purposes of this Agreement in a manner consistent with the joint exercise of powers described herein. Funding and participation in the Project shall be governed by the Benefits & Obligations Contract or applicable State or Federal Contract. Additionally, the Authority may enter into agreements with the State of California, the United States, or any other public or private entity, subject to the approval of the Reservoir Management Board to the extent required by the Bylaws.

6.2. Parties to the Benefits & Obligations Contract: In connection with the Project, the Authority Members and Project Participants electing to participate in the Project shall enter into

the Benefits & Obligations Contract with the Authority. No Authority Member shall be required to enter into the Benefits & Obligations Contract.

6.3. Financial Obligations Under the Benefits & Obligations Contract: Unless otherwise provided for in this Agreement or the Bylaws, all assets, rights, benefits, and obligations attributable to the Project shall be assets, rights, benefits, and obligations of Project Participants. Any debts, liabilities, obligations or indebtedness incurred by the Authority in regard to the Project shall be the debts, liabilities, obligations, and indebtedness of Project Participants and shall not be the debts, liabilities, obligations or indebtedness of the Authority Members that have not executed the Benefits & Obligations Contract, and that are payable under the Benefits & Obligations Contract. The Benefits & Obligations Contract may include signatories that are not Authority Members. The Bylaws may provide additional requirements regarding the implementation of the Project.

VII. TERMINATION, WITHDRAWAL, SUSPENSION, AND DISPUTE RESOLUTION

7.1. Termination:

- 7.1.1. Mutual Termination. This Agreement may be terminated by the mutual agreement of at least seventy-five percent (75%) of the total number of the governing boards of the Authority Members in writing, provided that in recognition of the requirements of Proposition 1 and the reliance on the Authority by the signatories to the Benefits & Obligations Contract, termination of this Agreement shall not be effective prior to the assignment of all rights, duties and obligations to a separate joint powers authority formed and existing in a manner consistent with the requirements of Proposition 1 for the purposes of owning the Project and exercising the Reserved Powers. The manner of formation of a joint powers authority is a Material Change and Shared Decision subject to the approval of both the Authority Board and the Reservoir Management Board, as provided in Section 12.3.11 of the Bylaws.
- 7.1.2. Project Termination. In the event the termination of this Agreement becomes necessary or appropriate as a result of the cessation of the Project for reasons beyond the control of the Authority, including a decision by the Authority Board and Reservoir Management Board pursuant to Section 12.3.10 of the Bylaws, then the Authority shall continue to exist for purposes of facilitating by the Project Participants (i) the disposal of all claims, (ii) payment of debt service, (iii) reimbursement owed to financial institutions or other parties advancing funds to the Authority for the Project, (iv) satisfaction of other covenants contained in reimbursement agreements with such institutions and parties, and (v) distribution of assets and all other functions necessary to conclude the affairs of this Authority, as provided for in the Benefits & Obligations Contract.

7.1.3. Removal of an Authority Member by the Authority. Any Authority Member may be removed from the Authority upon the affirmative vote of all Directors except the vote of the Director appointed by the Authority Member then considered for termination. Prior to any vote to remove an Authority Member, written notice of the proposed removal and the reason(s) for such removal shall be presented at a regular Authority Board meeting with opportunity for discussion. The Authority Member subject to possible removal shall have the opportunity at the next regular Authority Board meeting to respond to any reasons and allegations that may be cited as a basis for removal prior to a vote. If an Authority Member is removed, that Authority Member will be responsible for its share of any costs incurred by the Authority up to the date of removal. Nothing in this Section 7.1.3 shall affect membership on the Reservoir Management Board as to a removed Authority Member that has signed the Benefits & Obligations Contract.

7.2. Authority Member Withdrawal from Authority: Any Authority Member may withdraw from the Authority by giving at least 30 days written notice of its election to do so, which notice shall be given to the Authority and each Authority Member to this Agreement; provided that such withdrawal does not in any way impair any contracts or obligations of the Authority then in effect, including, without limitation, the Benefits & Obligations Contract and the State and Federal Contracts. Prior to withdrawal or as soon as an accounting can be completed, the withdrawing Authority Member shall pay its share of general and administrative costs described in Section 5.5; provided, however, the withdrawing Authority Member shall only be liable for expenses incurred under this Agreement through the date of withdrawal. The withdrawing Authority Member shall also be responsible for its share of any claims, demands, damages, or liability arising from this Agreement through the date of withdrawal. As to any Authority Member that is a signatory to the Benefits & Obligations Contract, no withdrawal undertaken pursuant to this Section 7.2 shall affect the withdrawing Authority Member's rights, duties and obligations under the Benefits and Obligations Contract, or the withdrawing Authority Member's membership in the Reservoir Management Board.

7.3. Membership Suspension: Should any Authority Member be deemed by the Authority Board to not be in Good Standing as defined in the Bylaws, an affirmative vote of at least seventy-five percent (75%) of the total number of Directors can suspend the Authority Member's voting rights. Once the Authority Member is deemed by the Authority Board to meet the requirements for being in Good Standing, the Authority Member can petition the Authority Board to have its voting privileges and, if applicable, any Authority Board officer status restored by an affirmative vote of the Authority Board consisting of at least seventy-five percent (75%) of the total number of Directors. During the time the Authority Member has not been in Good Standing, the Authority Member shall remain obligated to comply with all other requirements of this Agreement, the Bylaws and the Benefits & Obligations Contract.

7.4. Disposition of Assets Upon Termination: Upon termination of this Agreement, any surplus money or assets in the possession of the Authority for use under this Agreement, after payment of liabilities, costs, expenses and charges incurred under this Agreement, shall be returned to the then-existing Authority Members in proportion to the contributions made by each. All other

property, works, rights and interests of the Authority shall be assigned to the joint powers authority formed to replace the Sites Project Authority referenced in Section 7.1.1.

7.5. **Dispute Resolution.** If a dispute arises among any of the Authority Members relating to or arising from an Authority Member's rights, duties, obligations or performance under this Agreement, then the Authority Members that are parties to the dispute will first attempt to resolve their dispute informally, in a timely and cost-effective manner by appointing a knowledgeable, responsible representative to hold meetings and negotiate with the other Authority Members' representatives to resolve any such dispute. If the chosen representatives fail to resolve the dispute, the presiding officer of each board of the Authority Members that are parties to the dispute shall meet together to negotiate to resolve the dispute.

If the Authority Members that are parties to the dispute are unable to resolve the dispute through informal dispute resolution within thirty (30) days, an Authority Member may submit the dispute to formal mediation. The parties to the dispute shall voluntarily agree to the choice of mediator, or, if the parties cannot agree upon a mediator, one shall be appointed by the Superior Court of Colusa County upon motion for appointment of a neutral mediator. The cost of mediation shall be paid in equal proportion among the Authority Members involved in the dispute.

Each involved Authority Member reserves any and all rights and remedies available to it under the Agreement or at law or in equity or otherwise if a dispute is not resolved in the manner provided for above.

In the event of any dispute that is unresolved pursuant to this Agreement, the Authority Member or Members prevailing in such dispute shall be entitled to collect from the other Authority Member or Members that are parties to the dispute all costs incurred in such dispute, including reasonable attorneys' fees.

VIII. MISCELLANEOUS PROVISIONS

8.1. **Amendment of Agreement:** This Agreement may be amended only by an affirmative vote of at least seventy-five percent (75%) of the governing boards of the Authority Members; provided, however, (i) this Agreement may not be amended to terminate the participation of an Authority Member without the affirmative vote of all governing boards of the Authority Members except the vote of the Director appointed by the Authority Member then considered for termination, (ii) no amendment to this Agreement shall be made that would interfere with the rights of any signatory to the Benefits & Obligations Contract, (iii) no amendment to this Agreement shall be made that would divest the Reservoir Management Board or any Project Participant of any authority they have under the Bylaws, and (iv) no amendment shall be made to Section 2.6 of this Agreement, or to any restatement of this Agreement, except with the express written consent of GCID, RD 108 and TCCA. The Authority shall provide notice to all Authority Members and members of the Reservoir Management Board of amendments to this Agreement, including the effective date of such amendments. To provide non-concurring Authority Members an opportunity to withdraw from the Authority, any amendment to this Agreement shall be binding on all Authority Members thirty (30) days after the required concurrence has been obtained.

8.2. Adoption and Amendment of Bylaws: By operation of the Authority Members' execution of this Agreement, the Authority Board hereby irrevocably adopts the Bylaws. The Bylaws may only be amended in the manner set forth in the Bylaws, which provide that such amendment constitutes a Material Change and Shared Decision Item requiring (i) an affirmative vote of at least seventy-five percent (75%) of the total number of Directors and (ii) that if the vote against the amendments includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the amendments shall not be approved. The Authority shall provide written notice to all Authority Members of amendments to the Bylaws, which includes the effective date of such amendments.

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

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

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

8.6. Authority Members to be Served Notice: Any notice authorized to be given pursuant to this Agreement shall be validly given if served in writing either personally, by facsimile, by electronic mail (e-mail), by deposit in the United States mail, first-class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt, and (ii) by mail shall be conclusively deemed given 48 hours after the deposit thereof if the sender returns the receipt. All notices shall be sent to the addresses listed in Exhibit A to this Agreement.

8.7. Filing of Agreement: Pursuant to section 6503.5 of the Act, the Authority shall file or cause to be filed a certified copy of this Agreement with the Secretary of State within 30 (thirty) days following the last signature below.

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

COLUSA COUNTY WATER DISTRICT

Dated: _____
(Effective mmm dd, yyyy)

By: _____

COUNTY OF COLUSA

Dated: _____
(Effective mmm dd, yyyy)

By: _____

COUNTY OF GLENN

Dated: _____
(Effective mmm dd, yyyy)

By: _____

GLENN-COLUSA IRRIGATION DISTRICT

Dated: _____
(Effective mmm dd, yyyy)

By: _____

PLACER COUNTY WATER AGENCY & CITY OF ROSEVILLE, Jointly

Dated: _____

(Effective mmm dd, yyyy)

By: _____

Dated: _____

(Effective mmm dd, yyyy)

By: _____

RECLAMATION DISTRICT 108

Dated: _____

(Effective mmm dd, yyyy)

By: _____

CITY OF SACRAMENTO & SACRAMENTO COUNTY WATER AGENCY, Jointly

Dated: _____

(Effective mmm dd, yyyy)

By: _____

Dated: _____

(Effective mmm dd, yyyy)

By: _____

TEHAMA-COLUSA CANAL AUTHORITY

Dated: _____

(Effective mmm dd, yyyy)

By: _____

WESTERN CANAL WATER DISTRICT

Dated: _____
(Effective mmm dd, yyyy)

By: _____

WESTSIDE WATER DISTRICT

Dated: _____
(Effective mmm dd, yyyy)

By: _____

DRAFT

Exhibit A to the Sites Project Authority Joint Exercise of Powers Agreement:

Effective Date: _____

Colusa County Water District
General Manager
P.O. Box 337
Arbuckle, CA 95912

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

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

Sacramento County Water Agency
700 H Street, Suite 7650
Sacramento, CA 95814
& City of Sacramento
915 I Street
Sacramento, CA 95814

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

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

Glenn-Colusa Irrigation District
General Manager
P.O. Box 150
Willows, CA 95988

Western Canal Water District
General Manager
PO Box 190
Richvale, CA 95974

Placer County Water Agency
PO Box 6570
Auburn CA 95604
& City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

Westside Water District
General Manager
5005 CA-20
Williams, CA 95987