

Topic: **Sites Reservoir Project**

2016 May 02

Subject: **Proposal Attachment 1**

Proposal to Participate Form

(Insert entity's name) elects to participate in Phase 1 of the Sites Reservoir Project in the following manner:

- By checking this box, (insert entity's name), certifies that it is:
1. an eligible entity as defined in Proposition 1¹ to be a member of a joint powers authority per CA Water Code § 79759 and will contribute financially to implement the Sites Reservoir Project, which is the CALFED project known as the North of Delta Offstream Storage (NODOS) Project;
 2. electing to participate in the Sites Reservoir Project phase 1 in one of the categories listed below, and
 3. agreeing to be a member in good standing and comply with the terms and conditions of the Sites Project Agreement, Bylaws and applicable Project Agreements, both now and as they may amended, respectively.

Project Membership Type & Location: (refer to bylaws)

Sites Project Authority:

- Authority
 Ex Officio (DWR)

Advisory:

- Associate

Participants in Project Agreements:

- Type I (Standing)
 Type II (Affiliate)
 Type III (Represented)
 Non-Member Participating Party

Principle Location:

- Within the Sacramento Hydrologic Region (Type A)
 Outside the Sacramento Hydrologic Region (Type B)

¹ Proposition 1, specifically CA Water Code §79759 provides the membership requirements applicable to joint power authorities created to implement CALFED storage projects. These requirements can be viewed at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wat&group=79001-80000&file=79750-79760>. To be eligible, a mutual water company also needs to meet the requirements of §79712, which can be viewed at: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wat&group=79001-80000&file=79703-79716.5>

Participation:

- Authority Member: Management and Administration of the Sites Project Authority plus the Regional Benefits/economics cost centers. The associated costs will be allocated on a pro-rata basis according to the total number of voting members to the Sites Project Authority (i.e. 1/10 share for fiscal year 2016).

In-kind Services (optional²): _____

Proposed Director: _____ Title: _____

Proposed Alternate: _____ Title: _____

- Reservoir Project Agreement Committee Member: Advancing the development and construction of the Sites Reservoir, which is comprised of the Water Infrastructure & Supply, Operations, and Renewable Power cost centers. These costs will be allocated based on the number of acre-ft. of your Agency's commitment divided by the total acre-ft. of all contributing Agencies water commitment.

Participation:

_____ **acre-ft. of Class 1** water at a not-to-exceed cost of **60 \$/acre-ft.** for phase 1 activities. This represents water that would not be made available for use as Proposition 1, Chapter 8-eligible public benefits. Currently, less than 120,000 acre-ft. is available.

The current estimate of the amount of water produced on a long-term average is 500,000 acre-ft./year of which 50% is proposed to *not* be used for Proposition 1, Chapter 8-eligible public benefits. The voting weight is equal to 1/n Members times 50 plus the Members participation in all classes of water/total participation times a maximum of 50 when there is no Class 2 water and a maximum of 35 when Class 2 water is included (i.e. the total of all voting equals 100).

_____ **acre-ft. of Class 2** water at a not-to-exceed cost of **30 \$/acre-ft.** for phase 1 activities. This represents additional water that at the end of Phase 1 could become available to Members. It is dependent upon (a) the CA Water

² In-kind services require prior Board approval. For Phase 1, in-kind services cannot be used to offset the cash contribution, but can be counted towards the total project costs eligible to receive grant funds.

Commission's election to participate at less than 50% of the Projects' cost, (b) estimated value of public benefit water, and (c) updated operational studies. Currently, a maximum of 170,000 acre-ft. of water is available. Since the Member has already elected to participate in Class 1 water, the incremental increase in voting weight is equal to the Members participation in Class 2 water/total participation times 15 (i.e. the total of all voting equals 100).

_____ **in Class 4** water: This represents additional Phase 1 studies to quantifying the benefits and values that are primarily associated with providing different types and quantities of water associated with Proposition 1, Chapter 8-eligible public benefits, some of which may have multiple uses, including consumptive uses after having been used for public benefits. Currently, public benefit water can be created through exchanges with the CVP and/or SWP to increase carryover storage in respective reservoirs. This carryover water can be put to beneficial uses – both consumptive and Proposition 1, Chapter 8-eligible public benefits. Participation solely in Class 4 water does not include any participation in water that could be produced by direct diversion into the Reservoir (i.e. Class 1 or Class 2 water).

The current per member estimate of study cost is **\$130,000**, which includes a fractional voting weight of 0.80 out of a total weighted voting of 100.

Other Benefit (specify): _____

In-kind Services (Optional): _____

Proposed Director: _____ Title: _____

Proposed Alternate: _____ Title: _____

Management Rep: _____ Title: _____

- Advisory:** Provide input and advice to the Board on project-related matters. For Phase 1, participation requires an annual dues in the amount of \$ 5,000.

Proposed Director: _____ Title: _____

Signature Block:

Entity: By signing this form, the entity's authorized representative is:

1. Certifying they are eligible to participate in the Sites Reservoir Project
2. Acknowledges their level of participation and this form is only valid for the Project's Phase 1,
3. Not committing any funds at this time, but is committing to use best efforts to enter into agreement with the Authority and Reservoir Project Agreement Committee to become a Member.

Insert Agency's Name	
Representative's Name	Date