



**American
River
Authority**

c/o: Placer County Water Agency
P.O. Box 6570, Auburn CA 95604
(530) 823-4860

AGENDA

BOARD OF DIRECTORS
AMERICAN RIVER AUTHORITY

Monday, June 19, 2017
2:00 p.m. Regular Meeting

MEETING LOCATION
Placer County Administrative Center
Conference Room A
175 Fulweiler Avenue
Auburn, California

In compliance with the Brown Act (Gov. Code Section 54953), you may participate at the location described above or via teleconference at the following location:

TELECONFERENCE LOCATION
El Dorado County Board of Supervisors' Office
Board of Supervisors Conference Room
330 Fair Lane
Placerville, California

ENTITY

County of El Dorado
County of Placer
County of San Joaquin
El Dorado County Water Agency
Placer County Water Agency
Public Member

DIRECTORS

Michael Ranalli
Jennifer Montgomery
Chuck Winn
Brian Veerkamp
Robert Dugan
Ken Yorde

ALTERNATES

VACANT
Robert Weygandt
VACANT
VACANT
Mike Lee
VACANT

Jennifer Montgomery (Chair of the Board)
Brian Veerkamp (Vice-Chair)

Einar Maisch (Executive Director)
Chris Williams (Legal Counsel)

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call and introductions

3. Organizational matters; take action as necessary and appropriate:
 - a. Recognize newly appointed members;
 - b. Make appointments, if any, to the vacant alternate positions;
 - c. Select Chair and Vice Chair for July 1, 2017, through June 30, 2018.

- B. PUBLIC COMMENT: Any member of the public may address the Board at this time on any subject matter **not** on the agenda and that is within the jurisdictional authority of the American River Authority. All items described on the agenda will be open for public comment before final action is taken. Speakers are requested to restrict comments to the item as it appears on the agenda and stay within a **three-minute** time limit.

- C. CONSENT CALENDER
 1. Consider approving May 16, 2016, minutes.

- D. GENERAL ITEMS
 1. Consider approving the proposed 2018 Budget.
 2. Consider taking revised Joint Powers Agreement to respective Boards to consider whether the proposed amendments are acceptable, or whether any additional amendments would be required prior to approval, and communicate those comments back to the ARA Executive Director.

- E. REPORTS BY DIRECTORS

In accordance with Government Code § 54954.2(a), Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

- F. REPORT BY LEGAL COUNSEL

- G. REPORT BY EXECUTIVE DIRECTOR

- H. ADJOURNMENT



American
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c/o: Placer County Water Agency
P.O. Box 6570, Auburn CA 95604
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MINUTES

BOARD OF DIRECTORS
AMERICAN RIVER AUTHORITY

Monday, May 16, 2016

2:00 p.m. Regular Meeting

MEETING LOCATION

Placer County Administrative Center
Conference Room A
175 Fulweiler Avenue
Auburn, California

ENTITY

County of El Dorado
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County of San Joaquin
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Mike Lee
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Jennifer Montgomery (Chair of the Board)
Brian Veerkamp (Vice-Chair)

Einar Maisch (Executive Director)
Chris Williams (Legal Counsel)

American River Authority (ARA) Members Present:

Primo Santini on behalf of Robert Dugan
Jennifer Montgomery, Chair
Michael Ranalli
Brian Veerkamp, Vice-Chair (via phone)
Chuck Winn
Ken Yorde, Vice-Chair

ARA Staff Present:

Einar Maisch, Executive Director
Ed Horton, ARA Consultant
Joseph Parker, Treasurer
Cheri Sprunck, Secretary

A. CALL TO ORDER

Chair Montgomery called the meeting to order at 2:01 p.m.

1. Pledge of Allegiance

Led by Director Santini.

2. Roll Call and introductions

Roll call was conducted.

Mr. Maisch pointed out PCWA Director Robert Dugan and alternate Director Mike Lee are unavailable so PCWA Director Primo Santini is filling in for them.

He also noted Supervisor Veerkamp is on the phone, but since Supervisor Veerkamp didn't know he was going to be on the phone there isn't an agenda that is posted at the teleconference location. Under the Brown Act he is not participating (voting) in the meeting.

3. Organizational matters; take action as necessary and appropriate:
 - a. Recognize newly appointed members

There were no changes in members.

- b. Make appointments, if any, to the vacant alternate positions

No appointments were made.

- c. Select Chair and Vice Chair for July 1, 2016, through June 30, 2017

Action: Motion by Director Santini to keep last year's slate of officers; motion seconded by Director Ranalli and adopted by unanimous vote of Directors present.

B. PUBLIC COMMENT:

No member of the public commented.

C. CONSENT CALENDER

1. Consider approving June 22, 2015, minutes.

Action: Motion by Director Ranalli approving Consent Calendar item C.1.; motion seconded by Director Winn and adopted by unanimous vote of Directors present.

D. GENERAL ITEMS

1. Receive and file the American River Authority financial reports through March 31, 2016.

Mr. Parker reported there are balance sheet statements and net positions for the last couple of years and through March 31, 2016. Currently the Authority has \$81,756 cash with the County Treasurer. In 2016 there was \$743 received in interest income and \$302 spent for website maintenance.

Action: Chair Montgomery noted the item is considered received and filed.

2. Consider approving the proposed 2017 Budget.

Mr. Parker reported the 2017 Budget is a total of \$8,800 of expenses, which includes legal, an audit, consultant work for the webpage, and contingencies. That would bring the cash balance to \$74,000.

Action: Motion by Director Santini approving item D.2.; motion seconded by Director Ranalli and adopted by unanimous vote of Directors present.

3. Consider the necessity of the existence of the ARA.

Mr. Maisch reported on the history, purpose, and powers of the ARA. It was created to try to promote restart of construction of the Auburn Dam. In 2006 U.S. Bureau of Reclamation (Reclamation) was asked to update the Auburn Dam cost estimate, which had escalated to \$12 billion. No one came forward to build it. In 2008 the State Water Resources Control Board (SWRCB) held a hearing and the water rights were rescinded. In 2010, the ARA purpose and powers were amended to pursue a new project that could seek to gain those water rights for the beneficiaries. Nothing has happened since then. The ARA has been meeting annually and the only activities are like those taken today. The ARA could be something more if the group wanted to stay together and go after a mission; there are common interests, but we have not been pursuing those.

Director Yorde asked if PCWA had its own lobbyist and if it had one when the ARA was formed.

Mr. Maisch said PCWA did not.

Director Yorde noted there is some redundancy of political pressures, but it is good to keep a forum open.

Director Santini asked what other regional groups or organizations are doing the same thing.

Mr. Maisch said Sites Reservoir is in the running for Prop 1 funding. It is an off stream reservoir with nearly the yield expected from the Auburn Dam at a third of the cost. The resource agencies are primarily focused on preserving endangered species that affect flows in the Delta. There is the tunnels project, which is an attempt to get export intakes out of the Delta and move them upstream where they will be less affected by endangered species. The Sacramento Region is trying to convince the Reclamation that they ought to adopt a different operating plan for Folsom Reservoir for fisheries and water supply reliability. There are lots of new initiatives that have taken the place of the Auburn Dam at the top of the list as new water supply projects. Only the ARA is focused on the Auburn Dam.

Director Winn said he chaired the Sustainable Groundwater Management Act (SGMA) Board for the San Joaquin Groundwater Basin Authority which consists of 23 agencies in three counties. He serves on the Delta Protection Commission, has served on a 5 counties coalition, and the San Joaquin Regional Council. Every one of those bodies has different priorities and issues to resolve. It is important for the ARA to have a unified body to meet and collaborate. It is a united group of counties that can talk to its legislature and have more influence on decision makers. The ARA has tremendous potential. There are counties in Northern California that would like to sell water. If the twin tunnels are ever build, there will have to be additional water to feed the Delta to keep the salt water down. Everything he has read says that water will come from the mountain counties.

Director Ranalli said because he has not had a significant amount of time participating in the ARA, it is hard for him to know what the downside is of not having it. He wants to be cautious and hear any argument why they shouldn't stand together. El Dorado County is pursuing additional water rights and can use any collateral support they can get.

Director Veerkamp concurs and said with the water issues in the State of California, any group that can stand together on such matters can quickly reach out and discuss that item which is a good. He thinks we should maintain what we are doing.

Chair Montgomery said she wanted to look more closely at what are the purposes of this Board; have we been meeting those purposes and do we have a hope that we would meet those purposes. There may well be a purpose for the ARA as a Board to continue to exist to address things like protection, preservation, perfection of rights, participation in regulatory proceedings, court actions and other activities which serves a purpose but is redundant because other water agencies are effectively doing so. If the Board decides to keep the ARA, she strongly suggests removing the purpose it was originally formed for, which was promotion of completion of the Auburn Dam project but continue to focus on the other pieces.

Directors Ranalli, Veerkamp, and Yorde agreed.

Eric Peach, of Protect American River Canyons (PARC), said he has followed the history of the ARA since it was formed. It doesn't seem to have the purpose anymore for which it was formed. In 2008 the State revoked the water rights in place for the Auburn Dam. No water rights, cost and safety all play against the Auburn Dam. By continuing without focus, you create the illusion that it could someday happen. He passed around a map of the American River Pump Station which PCWA and Reclamation spent millions to build. The Pump Station is right at the footprint of the proposed dam. He doesn't believe the dam is going to be built and having the possibility linger is impacting recreation in the area. PARC is working on a recreational bridge across the river. He thinks the ARA has served its purpose. He suggested some of the money in the treasury could be used for public education for safety. (Handout provided) They have put a picnic table in a recreation area at the site of the Auburn Dam site.

Ed Horton noted the JPIA is very clear about where the money goes; it goes back to the people that put it in and they can do what they want with it. A condition put on the ARA when it was formed was to do work on the American River between the PCWA Middle Fork American River Project (MFARP) and Folsom Reservoir.

Mr. Peach asked if Hell Hole can be raised in the MFARP and asked if there was something there the group could focus on.

Director Winn noted on the Delta they had issues regarding recreation because of a hyacinth invasive species. He met with several counties about Temperance Flat in the Sites Reservoir area. It has no effect on San Joaquin County, but they support it because it benefits their neighbors. They have a contract with East Bay Municipal Utility District regarding the public rain project. He brings these items up because we are all in this together.

Director Ranalli said it makes sense to adjust the scope of our interest away from original focus. He met with members of PARC about the bridge at China Bar. He wanted to make sure there is not a conflict with this group regarding the proposed bridge. The benefits of the bridge, as it relates to trail use, is that it opens recreation on El Dorado County side and alleviates crowding at the Confluence.

Director Veerkamp noted the ARA management discussion analysis stated the purpose includes protection, preservation, and perfection of rights belonging to all the members of the waters of the American River. Water rights are the biggest thing to be concerned with.

Chair Montgomery said if we keep the ARA in place, we should strike the purpose for promoting completion of the Auburn Dam project, but there is value to the rest of what we are being asked to look at. She is concerned by the second to last paragraph in the staff report that says, "The ARA could still be an opportunity for members to meet and discuss water issues that affect their common interests but considerable work by the Board and staff would be required to identify those interests and provide meaningful presentations." Is the time, effort, and money worth continuing to do this second group of things which is being done by many other agencies and organizations in the area?

Director Santini said if the ARA's focus is not on the Auburn Dam, and we are going to refocus on watershed restoration, regulations, and water rights, are there other entities already duplicating that work? If we are going to refocus, and hope to be effective other than just making pronouncements, you need to have money, be attending state meetings, and preparing the record in such a way that when you do make your comments that you are able to sue later. Unless you are dealing with the State in that manner, they are not going to take you seriously. Decisions are now being made in the legal arena much or more than in the legislative arena. Are we duplicating efforts elsewhere, and if we do that, what would that add to those efforts?

Mr. Maisch said he heard today that there is a recognition that the Auburn Dam is a long ways out. This group has not focused on promotion of construction of the Auburn Dam for a long time. If we eliminated that as a purpose of this group, everyone would be fine with that. So we are left with having information sharing sessions. It's cheap to run the organization. If you want to make the ARA significant, it would take more work and money. PCWA is spending millions on the Delta Tunnels.

Director Winn asked if it is a concern about overusing the water agency regarding work that may be necessary in the future.

Mr. Maisch said if there is going to be a serious effort, we will all have to be involved. He doesn't sense there is a need for an additional venue of engagement. That isn't to say that getting together and sharing perspectives annually or more frequently is a bad thing, but he is concerned there is not something more significant on the agenda to discuss.

Director Santini asked for an explanation about the makeup of the ARA. Could this organization function like the Cosumnes, American, Bear, Yuba (CABY) entity, which can obtain grants?

Mr. Maisch said CABY was formed to prepare a Regional Water Management Plan. El Dorado County, Nevada Irrigation District, and PCWA are members of CABY. We have a watershed stewardship interest that is strong.

Supervisor Winn said he appreciates meeting with different regions because you get different perspectives.

Action: Motion by Director Ranalli to modify the ARA JPA to strip out the parts dealing with the promotion of the Auburn Dam and bring it back to the next meeting; motion seconded by Director Yorde and adopted by unanimous vote of Director present.

E. REPORTS BY DIRECTORS

Director Ranalli confirmed this organization wouldn't have any problem with supporting a recommendation to his Board to support the China Bar Bridge Project.

Director Veerkamp reported they are still in their water rights application development process and campaign is still active. Hopefully they will have a project before the SWRCB within the next year.

F. REPORT BY LEGAL COUNSEL

No report received.

G. REPORT BY EXECUTIVE DIRECTOR

Mr. Maisch said, regarding the proposed China Bar Bridge, PCWA, as part of the American River Pump Station, recognized in the environmental document that there was an impact created by restoring the river to its original channel. The people that used to be able to cross the river because it was dewatered for construction of the Auburn Dam, are now obstructed from crossing the river. PCWA grudgingly agreed to put up ½ million from Water Connection Charge income for construction of the bridge.

Regarding SGMA, a western portion of Placer County overlies the North American groundwater basin as do portions of Sacramento and Sutter counties. PCWA had a 303 Groundwater Management Plan in the Placer County portion, but it didn't include the County. While we were getting organized in Placer County to have all of the groundwater basin covered, Sacramento County said the Sacramento Groundwater Authority (SGA) was going to be the Groundwater Sustainability Agency (GSA) for their portion of the basin. That meant there was no way to do a single agency for the entirety of the basin. We are dealing with that and slowly moving forward in what will probably be three separate entities. We have a groundwater basin as a result of efforts we took to transfer surface water in wet years to Northridge/Sacramento Suburban Water District. Their groundwater basin had a 10' rise, is very stable, and is not a threat. The threat is the State if we fail to form the GSA/GSP.

Regarding the Delta tunnels, there is a recognition that Southern California needs water, but the current location of the diversions is bad for water supply and the environment. We understand if they are going to pay for it, maybe we don't have a problem, but maybe we do, if they move their intakes upstream to solve their water supply and environmental problems. Currently they are limited on how much water they can take. The state and federal regulators have come up with a new paradigm on how much water is required to the environment. If Southern California diverts more water in addition to this increased need for environmental water, where does that put the rest of us

in Northern California and in our region—those who are dependent upon Folsom Reservoir or those who would like to renew their water rights above Folsom or acquire new water rights above Folsom. It puts us in a very difficult position to be supportive of the project without some agreements about how the system is going to be operated, or at least without an understanding of how the system might be operating, none of which we have gotten from the Bureau or DWR. We are officially opposed to the project and are willing to put a lot of money in a legal battle until issue is resolved.

Ed Horton reported since the Board adopted a records retention schedule, we have been going through and sorting all the old stuff and digitizing the important items.

H. ADJOURNMENT

Chair Montgomery adjourned the meeting at 3:00 p.m.

Respectfully submitted,

Cheri Sprunck
Agency Secretary/Clerk to the Board
Placer County Water Agency
on behalf of the American River Authority

**American River Authority
Budget and Actual Schedule
Fiscal Year 2016 - 2018**

D.1.

<u>Budget and Actual Activity</u>	<u>Actual 2015-2016 FYE 06/30/2016</u>	<u>Budget FY 2016 - 2017 Adopted 05/16/2016</u>	<u>Actual FY 2016 - 2017 thru 05/31/2017</u>	<u>Proposed FY 2017 - 2018 Budget</u>
Assessments:				
El Dorado County Water Agency	\$ -	-	-	-
County of El Dorado	-	-	-	-
County of Placer	-	-	-	-
County of San Joaquin	-	-	-	-
Placer County Water Agency	-	-	-	-
Total Assessments	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:				
Professional Services - Legal	\$ 585	1,500	-	1,500
Professional Services - Audit	-	4,200	-	-
Professional Services - Engineering	-	-	-	-
Professional Services - Consultants	4,030	2,000	-	2,500
Professional Services - Auburn Dam Study	-	-	-	-
Web Page	336	100	193	175
Public Outreach	-	-	-	-
Other - Contingencies	-	1,000	-	1,000
Total Expenses	<u>\$ 4,951</u>	<u>8,800</u>	<u>193</u>	<u>5,175</u>

<u>Activity for Cash Balance</u>	<u>Actual 2015-2016 FYE 06/30/2016</u>	<u>Budget FY 2016 - 2017 Adopted 05/16/2016</u>	<u>Actual FY 2016 - 2017 thru 05/31/2017</u>	<u>Proposed FY 2017 - 2018 Budget</u>
Beginning Cash Balance July 1	\$ 83,135	82,000	79,177	81,000
Interest Earnings	993	800	977	900
Interest Receivable	-	-	-	-
Assessments Paid	-	-	-	-
Total Cash Available	<u>84,128</u>	<u>82,800</u>	<u>80,154</u>	<u>81,900</u>
Less: Expenses	<u>(4,951)</u>	<u>(8,800)</u>	<u>(193)</u>	<u>(5,175)</u>
Ending Cash Balance	<u>\$ 79,177</u>	<u>74,000</u>	<u>79,961</u>	<u>76,725</u>

Notes: Audit Service is every 5 years. Next audit will be in Fiscal Year 2018-2019 budget for the period of FY 2014 through FY 2018.
ARA Fiscal year end is July 1 through June 30.



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M E M O R A N D U M

TO: Board of Directors
FROM: Einar Maisch, Executive Director
DATE: June 12, 2017
RE: Revisions to the ARA Joint Powers Agreement

DISCUSSION:

At the May 10, 2016, meeting, the American River Authority (ARA) Board of Directors passed a motion directing staff to revise the purpose and powers statements in the Joint Powers Agreement (JPA) so as to eliminate elements related to supporting the construction of, or funding for, the Auburn Dam, and bring a revised draft JPA back to the Board at the next ARA meeting.

Staff has taken the JPA, incorporated prior amendments and created a clean version as a working draft. Staff then edited that comprehensive version, in underline and ~~strikeout~~ to reflect what the JPA would look like without reference to the construction of the Auburn Dam. Removing reference to the Auburn Dam from the purpose and powers statement also necessitated removing references to the Auburn Dam from the remainder of the JPA. The revisions are substantial. For reference, the comprehensive version showing removal of reference to the construction of Auburn Dam in underline and ~~strikeout~~ is attached, along with a clean version of the revised draft JPA.

With removal of reference to the Auburn Dam, the ARA would exist only to protect, preserve, and perfect member rights to the use of water of the American River.

RECOMMENDATION:

Each member of the ARA is encouraged to take the revised JPA to their respective boards to consider whether the proposed amendments are acceptable, or whether any additional amendments would be required prior to approval, and communicate those comments back to the ARA Executive Director.

Staff will then work to combine those comments, once all are received, into a final revised JPA that can be circulated to the members.

JOINT POWERS AGREEMENT

AMERICAN RIVER AUTHORITY

THIS AGREEMENT, made and entered into this 8th day of June, 1982, pursuant to the Joint Exercise of Powers Act, by, and between Placer County, El Dorado County, Placer County Water Agency, El Dorado County Water Agency and San Joaquin County. These public entities are hereinafter collectively referred to as the "parties" or "member entities". The terms "parties" and "member entities" shall also include any additional parties that join in this Agreement pursuant to Section 6.06, but shall exclude any parties that withdraw from this Agreement pursuant to any of the provisions hereof.

RECITALS

This Agreement is made with reference to the following facts:

1. Placer County, El Dorado County and San Joaquin County are California counties and Placer County Water Agency and El Dorado County Water Agency are public agencies created by special acts of the Legislature of the State of California.

~~In 1965 the Congress of the United States authorized the construction of the Auburn Dam and Reservoir and a hydroelectric powerplant at the dam. After constructing a diversion tunnel, coffer dam and doing foundation work, the federal government ceased work on the Auburn Dam and has now indicated it will not resume construction unless there is some financial participation by a non-federal entity or entities.~~

- ~~3. Each of the parties is vitally interested in seeing that a dam, reservoir and hydroelectric powerplant are constructed at the Auburn Dam site and each has statutory authority to acquire, construct, operate and maintain such facilities either alone or in cooperation with the United States or other entities, and desires to exercise such authority in common with the other parties here to.~~

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREINAFTER SET FORTH IT IS AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions: As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

- (a) "Authority" – Shall mean the American River Authority, being the separate entity created by this Agreement.
- (b) "Board of Directors" or "Board" – Shall mean the governing body of the Authority as established in Section 3.01 of this Agreement.
- (c) "Law" or "The Law" – Shall mean the Joint Exercise of Powers Act, being Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500, et seq.).
- (d) ~~"Project" – Shall mean a dam and reservoir and hydroelectric power plant, as more particularly described in Article V of this Agreement.~~
- (e) ~~"Power Purchase Contract" – Shall mean any agreement which the Authority may execute with a public utility, governmental agency or other entity, to provide a source of revenue, from the sale of hydroelectric power, to contribute to the funding of the debt service, and for such other purposes as may be appropriate.~~
- (f) ~~"Prospective Power Purchaser" – Shall mean any public utility, governmental agency or other entity with whom the Authority may execute a written agreement or memorandum of understanding providing for the financing of preconstruction aspects, of the Project, coupled with the right of the Prospective Power Purchaser to enter into a Power Purchase Contract if specified conditions are fulfilled.~~
- (g) ~~"Revenue Bonds" – Shall mean revenue bonds of the Authority, including each and all series of revenue bonds, and except as the context shall require otherwise any other form of indebtedness of the Authority, authority and issued pursuant to the Law, or the Revenue Bond Law of 1941, being Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code of the~~

ARTICLE II

CREATION OF THE AMERICAN RIVER AUTHORITY

Section 2.10-01 Creation: There is hereby created, pursuant to the Law, a public entity to be known as the American River Authority.

Section 2.02 Term: This Agreement shall be effective from the date first above written until ~~the date of expiration of all licenses granted by the FERC or its successor, and all extensions of such licenses, unless sooner~~ terminated by mutual agreement of all the parties. ~~Notwithstanding the foregoing, this Agreement shall remain in effect until such time as all Revenue Bonds of the Authority and the interest thereon shall have been paid in full or provision for such payment shall have been made.~~

Section 2.03 Purpose: The purpose of this Agreement is to provide for the joint exercise, through the Authority of powers common to each of the parties ~~for to study, develop design, finance, acquire, construct, maintain and replace dams, reservoirs, tunnels, conduits, hydroelectric facilities construct, operate, and any and all works related and incidental thereto on the American River between the Placer County Water Agency's Middle Fork American River Project and the Folsom Reservoir, either by the Authority alone or in cooperation with the United States or other entities, in order to divert, store, distribute and sell water for beneficial use, and to generate, transmit, consume and sell hydroelectric power incidental thereto, all as more specifically set forth in this Agreement. The purposes shall also include the protection, preservation and perfection of rights belonging to the member agencies of this Authority to use the waters of the American River and its tributaries for the benefit of the lands and inhabitants of the parties.~~

Section 2.04 Powers: ~~The Authority shall have the power to study, develop, design, finance, acquire, construct, operate, maintain and replace dams, reservoirs, tunnels, conduits and hydroelectric power facilities as specified in this Agreement, and all related facilities~~

~~necessary and incidental thereto, in order to divert, store, distribute and sell water, and to generate, transmit, consume and sell hydroelectric power incidental thereto. The Authority shall also have the power to take those actions deemed necessary by the Authority Board of Directors to protect the rights of the member agencies of the Authority to use the waters of the American River and its tributaries for the benefit of the lands and inhabitants of the parties, including, but not limited to, participation in regulatory proceedings, court actions, and other activities that may affect the use of the waters of the American River and its tributaries. The Authority is authorized, in its own name, to do all acts necessary for the exercise of these powers for these purposes, including, but not limited to, any or all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain, operate and replace any buildings, works or improvements; to acquire by eminent domain or otherwise, and to hold or dispose of any property; to sue and be sued in its own name, to incur debts, liabilities and obligations; and to issue Revenue Bonds and other forms of indebtedness to the extent, and on the terms provided by law. The Authority shall have the power to apply for, accept, and receive all state and federal licenses, permits, grants, loans or other aids from any agency of the United States of America, or of the State of California.~~ In accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Placer County Water Agency as specified in the Placer County Water Agency Act, Statutes of 1959, Chapter 815, page 2822, as amended (West's Water Code Appendix, Chapter 81).

ARTICLE III

INTERNAL ORGANIZATION

Section 3.01 Governing Body: The business of the Authority shall be conducted by a Board of Directors consisting of six persons. One such director, and one alternate director, shall be selected and designated in writing from time to time by the governing body of each of the parties, and these five directors shall select a sixth director (member at large and one alternate), whose residences may alternate between Placer, El Dorado, and San Joaquin

counties every two fiscal years. The role of each alternate director shall be to assume the duties of the director appointed by his or her member entity, in case of the absence or unavailability of such director. The directors, including the sixth director named by the others, and the alternates so named shall serve at the pleasure of their appointive governing body and shall continue to serve until the respective successors are appointed.

Section 3.02 Meetings:

- (a) The Board shall hold at least one regular meeting each year, and, by resolution, may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by resolution of the Board. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the California Government Code. All meetings of the Board shall be called, held, noticed and conducted subject to the provisions of the Ralph M. Brown Act (Sections 54950, et seq., of the California Government Code). Compensation and reimbursable expenses of the Board members shall be as established and paid by the appointing Board except that the compensation and reimbursable expenses for the member at large shall be set from time to time by resolution of the American River Authority Board.
- (b) A quorum of the Board for the transaction of business shall consist of a majority of directors, except that less than a quorum may adjourn from time to time. The concurring vote of a majority of all directors shall be required for any action of the Board of Directors.
- (c) The Directors shall select a chairman who shall be the presiding officer at all Board meetings and a vice chairman who shall serve in the absence of the chairman. The term of office of the chairman and vice chairman shall be one year, provided, however, that the office shall be declared vacant if the person serving dies, resigns, or is removed by his or her member entity as its representative on the Authority, or if his or her member entity withdraws from this Agreement pursuant to any of the provisions hereof. The

directors shall also appoint a secretary, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority, and the directors may also appoint or employ such other officers and employees as it deems necessary to carry out the purposes of this agreement.

- (d) At the first meeting of the Board following the execution of this Agreement, or as soon thereafter as practical, the Board may adopt an official seal for the Authority and shall adopt such bylaws it may deem necessary to regulate the affairs of the Authority in accordance with this Agreement. The bylaws may be amended from time to time by the Board as it may deem necessary

ARTICLE IV

FINANCIAL PROVISIONS

Section 4.01 Fiscal Year: The fiscal year of the Authority shall be established by resolution of the Board of Directors as soon as practical after the effective date of this Agreement.

Section 4.02 Depository: Auditor:

- (a) The Treasurer of the Placer County Water Agency shall be the Treasurer of the Authority, and shall be the depository and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. The Treasurer shall perform the duties specified in Government Code Section 6506.5.
- (b) The officer performing the functions of Auditor/Controller of the Placer County Water Agency shall be Auditor/Controller of the Authority, and shall perform the duties specified in Government Code Sections 6505 and 6506.5.
- (c) At the request of the governing body of the Placer County Water Agency, the Board of Directors shall transfer the responsibilities of Treasurer/Depository and Auditor/Controller to equivalent officers of another member entity, or to some other

person or entity as the law may provide. The Board of Directors on its own may transfer the responsibilities of Treasurer/Depository and Auditor/Controller to equivalent officers of another member entity, or to some other person or entity as the law may provide.

- (d) All funds of the Authority shall be strictly, and separately, accounted for and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the member entities, ~~and by bondholders as and to the extent provided by resolution or indenture.~~ The Auditor/Controller shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted, at a minimum, in accordance with the requirements of the State Controller under Section 26909 of the California Government Code, and shall conform to generally accepted auditing standards.

The audit pursuant to this Subsection shall be conducted on a schedule in conformance with the provisions of California Government Code subsection 26909(b)(2), which allows, in lieu of an annual audit, an audit covering a five year period if the Authority's annual revenues do not exceed an amount specified by the members' Board of Supervisors, which amount is hereby specified as \$20,000.

- (e) The governing body of the Placer County Water Agency or its successor, under subparagraph (c) above may establish and collect from the Authority reasonable charges for the services of the Treasurer/Depository and Auditor/Controller.

~~Section 4.03 — Property Bonds: — The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 4.02 above, who shall have charge of, handle, or have access to, any property of the Authority. Each such officer and person, including those specified in Section 4.02, shall file a bond in an amount designated by the Board of Directors. Such designations shall be subject to ratification by the parties, in compliance with Government Code Section 6505.1.~~

Section 4.0403 Budget: As soon as practical after the execution of this Agreement, and thereafter at least thirty (30) days prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget for the Authority for the ensuing fiscal year.

Section 4.0504 Contributions for Operating Expenses:

- (a) The initial commitment of funds to the Authority from each member entity for the purposes set forth in this Agreement shall be the sum of \$19,000. The member entities shall equally pay the expenses of the Authority up to their initial commitment of funds upon request from the Board of Directors, as the expenses are incurred. The initial commitment of \$19,000 from each member entity may be increased only by amendment of this Agreement approved by all parties. No party hereto shall be obligated to participate in such an increased commitment unless its governing body has approved the amendment.
- (b) Personnel, equipment or property of one or more of the parties to this Agreement may be used in lieu of other contributions, upon approval of the Board of Directors.
- ~~(c) It is understood that the Board of Directors may arrange for the payment of the expenses of the Authority through some other satisfactory source, including, but not limited to, a Prospective Power Purchaser, or State or Federal grants or loans.~~
- ~~(d) In accordance with Government Code Section 6512.1, repayment or return to the parties of all or any part of any contributions or in lieu contributions made by the parties may be directed by the Board at such time, and upon such terms as may be consistent with the Power Purchase Contract and/or Revenue Bond issue. The Authority shall hold title to all funds, property and works acquired by it during the term of this Agreement.~~

ARTICLE V

AMERICAN RIVER PROJECT

Section 5.01 Description of Project: ~~———— The American River Project is intended to consist of developing, designing, financing, acquiring, constructing, operating, maintaining and replacing dams, reservoirs, tunnels, conduits and hydroelectric facilities, and any works related and incidental thereto, in the American River between the Placer County Water Agency's Middle Fork America River Project and the Folsom Reservoir in order to divert, store, distribute and sell water for beneficial use, and to generate, transmit, consume and sell hydroelectric power incidental thereto. The Authority may undertake the construction of all or any portion of the Project on its own or in cooperation with the United States or other entities. Construction of Project facilities may be all at one time, or in sequence. The Project will also include all associated lands, water and water rights buildings, transmission facilities, equipment and supplies necessary or incidental to the Project.~~

Section 5.02 State and Federal Grants and Loans: ~~———— It is understood and acknowledged that some portions or phases of the Project may qualify for grant or loan funding from the State of California or the federal government. The Board shall have the power, in its discretion, to contract for such funding of eligible portions or phases of the Project. Funds received by the Authority from such sources may be used to pay, reimburse or otherwise finance such eligible portions of the Project.~~

Section 5.03 Refinement of Project; Amendment of Agreement; Withdrawal of Parties:

(a) ~~———— It is understood and agreed that the aforementioned description of the Project represents the present intention and agreement of the parties, but that the exact details of the Project will be developed as it progresses. Therefore, it is agreed that this Agreement shall be amended prior to the authorization of the issuance of Revenue Bonds for the Project, at such time as the details of the Project and its financing become sufficiently known to permit them to be described in such an amendment. No party hereto shall be obligated to participate in the final Project or its financing unless its governing body has approved such amendment.~~

~~(b) If the member entities are unable to agree unanimously on the details of the Project and its financing, but a majority of member entities can so agree, or in the absence of a majority, there exists a plurality of member entities agreeing upon a single proposal, then in such event, each member entity shall have the option of either participating in such proposal or ceasing to be a party to this Agreement. If a sufficient number of member entities agree to participate in such in such proposal to enable the Project and its financing to be implemented, then this Agreement shall be amended in accordance with such proposal, and the other member entities that do not then agree to participate shall cease to be parties hereto, and this Agreement shall be terminated as to them.~~

~~(c) If there are insufficient remaining entities to proceed with the Project or a modification thereof, then this Agreement shall be terminated in accordance with Section 6.08 of this Agreement.~~

ARTICLE VI

RELATIONSHIP OF AMERICAN RIVER AUTHORITY AND ITS MEMBER ENTITIES

Section 6.01 Separate Entity: The Authority shall be a public entity separate from the parties to this Agreement. Unless, and to the extent, otherwise agreed herein, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the member entities. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as otherwise provided in this Agreement.

Section 6.02 Principal Office: The principal office of/the Authority shall be that of the Placer County Water Agency located at 144 Ferguson Road, Auburn, California. The Board of Directors may change the principal office from one location to another.

~~Section 6.03 Disposition of Power Revenues: Revenues from any Power Purchase Contract shall be applied in accordance with the terms of that Contract and the resolution authorizing issuance of bonds. It is intended that such revenues shall be applied: (1) to operation, maintenance and administrative expenses of the Authority, including reasonable~~

~~reserves for the replacement of facilities, capital improvements and contingencies; (2) to current debt service and reserves attributable to Revenue Bonds; and (3) distribution of the remaining net proceeds to member entities in proportion to the contributions made.~~

~~Section 6.04 Hydroelectric Power Rights: On terms and conditions consistent with the Power Purchase Contract, hydroelectric power generated by the Project shall be made available to the member entities for use solely at member entity owned facilities. Such power availability may be in the form of power blocks reserve or excepted from the Power Purchase Contract, or in the form of repurchase rights granted by the power purchaser. Member entities shall not have the right to sell or resell such power. Any power made available to a member entity, but not accepted or used by it, may be disposed of by the Authority on such terms and conditions as it deems fit, provided, however, that the net proceeds of any such distribution shall be credited to the account of the member entity initially entitled to the power.~~

~~Section 6.05 Water and Water Revenues:~~

~~(a) In accordance with the following, the Board of Directors shall first make available all Project water developed for consumptive uses to the member entities for such uses within their boundaries on terms and conditions to be developed by the Board of Directors, which shall be the same for all member entities.~~

~~(b) Water in excess of the total demand of the member entities under subparagraph (a) above and in excess of holdover storage requirements and other operational requirements may be offered for sale by the Board of Directors to nonmember entities or persons for such periods of time as may be agreed upon by the Board of Directors and the purchasing nonmember entity or person, and in a manner and at prices which will return to the Authority the largest net revenues practicable. Any net proceeds from water sales shall be distributed to the member entities in proportion to the contributions made.~~

Section 6.0603 Additional Parties: Additional parties may join in this Agreement and become member entities upon unanimous consent of the then-existing parties. The terms and conditions of such joinder shall be set forth in an amendment to this Agreement signed by all of the then-existing parties, and shall be consistent with any contracts, resolutions, indentures or other obligations of the Authority then in effect.

Section 6.07 Termination of a Member Entity's Participation in the Authority:

Notwithstanding anything herein to the contrary, at any time ~~prior to the amendment of this Agreement specified in Section 5.03~~, any member entity may withdraw from this Agreement by giving written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties; provided, that such withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect. No refund or repayment of the initial commitment of funds or in lieu contributions described in Section 4.05 shall be made to a member entity ceasing to be a party to this Agreement whether pursuant to this Section or any other Section of the Agreement. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made.

Section 6.08 Disposition of Property Upon Termination:

- (a) Upon termination of this Agreement, any surplus money on hand shall be returned to the then member entities of the Authority in proportion to the contributions made. ~~The Board of Directors shall first offer the Project, including all property, works, rights and interests of the Authority, for sale to member entities or any public entity of which a member entity is a party for good and adequate consideration. If no such sale is consummate, then the Board of Directors shall offer the Project for sale to any public utility, governmental agency, or other entity or entities for good and adequate consideration. The net proceeds from any sale shall be distributed among the member entities in proportion to the contributions made.~~

~~(b) If no such sale is consummated, then the Project, including all property, works, rights, and interest of the Authority, shall be allocated to the member entities in the same manner as the allocation of the net proceeds from a sale, unless otherwise agreed to by all of the member entities.~~

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01 Amendment of this Agreement: This Agreement may be amended by an agreement approved by all parties, ~~subject to the exceptions set forth in Section 5.03 and subject to any conditions or restrictions established by resolution or indenture authorizing the issuance of Revenue Bonds. Approval of the Board shall not be required for the amendment of this Agreement.~~

Section 7.02 Assignment Binding on Successors: ~~Except as otherwise provided in this Agreement, the rights and duties of the parties to this Agreement may not be assigned or delegated without the advance written consent of all of the other parties, and any attempt to assign or delegate such rights or duties in contravention of this Section shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indentures and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto. This Section does not prohibit a member entity from entering into an independent agreement with another agency regarding the financing of that member entity's contributions to the Authority, or the disposition of proceeds which that member entity receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the parties under this Agreement.~~

Section 7.0302 Notices: Any notice authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed,

postage prepaid, or delivered during working hours to the following addresses, or to such changed addresses as are communicated to the Authority and the member entities in writing:

Placer County Water Agency

P.O. Box 3218 - Bowman Branch

Auburn, CA 95603

El Dorado County Water Agency

330 Fair Lane

Placerville, CA 95667

Placer County Board of Supervisors

175 Fulweiler Avenue

Auburn, CA 95603

El Dorado County Board of Supervisors

330 Fair Lane

Placerville, CA 95667

San Joaquin County Board of Supervisors

44 N. San Joaquin Street

Stockton, CA 95202

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

JOINT POWERS AGREEMENT

AMERICAN RIVER AUTHORITY

THIS AGREEMENT, made and entered into this 8th day of June, 1982¹, pursuant to the Joint Exercise of Powers Act, by, and between Placer County, El Dorado County, Placer County Water Agency, El Dorado County Water Agency and ²San Joaquin County. These public entities are hereinafter collectively referred to as the "parties" or "member entities". The terms "parties" and "member entities" shall also include any additional parties that join in this Agreement pursuant to Section 6.06, but shall exclude any parties that withdraw from this Agreement pursuant to any of the provisions hereof.

RECITALS

This Agreement is made with reference to the following facts:

1. Placer County, El Dorado County and San Joaquin County are California counties and Placer County Water Agency and El Dorado County Water Agency are public agencies created by special acts of the Legislature of the State of California.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREINAFTER SET FORTH IT IS AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

¹ Amendment No. 1 was dated July 20, 1982, Amendment No. 2 was dated July, 25, 1989, Amendment No. 3 was dated November 14, 1995, Amendment No. 4 was dated September 21, 2010, Amendment No. 5 was dated June 9, 2014.

² Amendment No. 3 added San Joaquin County.

ARTICLE I

DEFINITIONS

Section 1.01 Definitions: As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

- (a) "Authority" – Shall mean the American River Authority, being the separate entity created by this Agreement.
- (b) "Board of Directors" or "Board" – Shall mean the governing body of the Authority as established in Section 3.01 of this Agreement.
- (c) "Law" or "The Law" – Shall mean the Joint Exercise of Powers Act, being Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500, et seq.).

ARTICLE II

CREATION OF THE AMERICAN RIVER AUTHORITY

Section 2.01 Creation: There is hereby created, pursuant to the Law, a public entity to be known as the American River Authority.

Section 2.02 Term: This Agreement shall be effective from the date first above written until terminated by mutual agreement of all the parties.

Section 2.03 Purpose: The purpose of this Agreement is to provide for the joint exercise, through the Authority of powers common to each of the parties for *the protection, preservation and perfection of rights belonging to the member agencies of this Authority to use the waters of the American River and its tributaries for the benefit of the lands and inhabitants of the parties.*

Section 2.04 Powers: ³The Authority shall have the power to take those actions deemed necessary by the Authority Board of Directors to protect the rights of the member agencies of the Authority to use the waters of the American River and its tributaries for the benefit of the lands and inhabitants of the parties, including, but not limited to, participation in regulatory proceedings, court actions, and other activities that may affect the use of the waters of the American River and its tributaries. In accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Placer County Water Agency as specified in the Placer County Water Agency Act, Statutes of 1959, Chapter 815, page 2822, as amended (West's Water Code Appendix, Chapter 81).

ARTICLE III

INTERNAL ORGANIZATION

Section 3.01 Governing Body: The business of the Authority shall be conducted by a Board of Directors consisting of ⁴six persons. One such director, and one alternate director, shall be selected and designated in writing from time to time by the governing body of each of the parties, and these five directors shall select a sixth director (member at large and ⁵one alternate), whose residences may alternate between Placer, El Dorado, and San Joaquin counties every two fiscal years. The role of each alternate director shall be to assume the duties of the director appointed by his or her member entity, in case of the absence or unavailability of such director. The directors, including the sixth director named by the others, and the alternates so named shall serve at the pleasure of their appointive governing body and shall continue to serve until the respective successors are appointed.

³ Amendment No. 4 expanded the Powers of the Authority.

⁴ Amendment No. 3, dated November 14, 1995, added San Joaquin County as a member of the JPA and increased the number of Directors from five to six.

⁵ Amendment No. 2, dated July, 25, 1989, added a provision to appoint an alternate for the fifth (now sixth) Director.

Section 3.02 Meetings:

- (a) The Board shall hold at least one regular meeting each year, and, by resolution, may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by resolution of the Board. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the California Government Code. All meetings of the Board shall be called, held, noticed and conducted subject to the provisions of the Ralph M. Brown Act (Sections 54950, et seq., of the California Government Code). Compensation and reimbursable expenses of the Board members shall be as established and paid by the appointing Board except that the compensation and reimbursable expenses for the member at large shall be set from time to time by resolution of the American River Authority Board.
- (b) A quorum of the Board for the transaction of business shall consist of a majority of directors, except that less than a quorum may adjourn from time to time. The concurring vote of a majority of all directors shall be required for any action of the Board of Directors.
- (c) The Directors shall select a chairman who shall be the presiding officer at all Board meetings and a vice chairman who shall serve in the absence of the chairman. The term of office of the chairman and vice chairman shall be one year, provided, however, that the office shall be declared vacant if the person serving dies, resigns, or is removed by his or her member entity as its representative on the Authority, or if his or her member entity withdraws from this Agreement pursuant to any of the provisions hereof. The directors shall also appoint a secretary, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority, and the directors may also appoint or employ such other officers and employees as it deems necessary to carry out the purposes of this agreement.

- (d) At the first meeting of the Board following the execution of this Agreement, or as soon thereafter as practical, the Board may adopt an official seal for the Authority and shall adopt such bylaws it may deem necessary to regulate the affairs of the Authority in accordance with this Agreement. The bylaws may be amended from time to time by the Board as it may deem necessary

ARTICLE IV

FINANCIAL PROVISIONS

Section 4.01 Fiscal Year: The fiscal year of the Authority shall be established by resolution of the Board of Directors as soon as practical after the effective date of this Agreement.

Section 4.02 Depository: Auditor:

- (a) The Treasurer of the Placer County Water Agency shall be the Treasurer of the Authority, and shall be the depository and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. The Treasurer shall perform the duties specified in Government Code Section 6506.5.
- (b) The officer performing the functions of Auditor/Controller of the Placer County Water Agency shall be Auditor/Controller of the Authority, and shall perform the duties specified in Government Code Sections 6505 and 6506.5.
- (c) At the request of the governing body of the Placer County Water Agency, the Board of Directors shall transfer the responsibilities of Treasurer/Depository and Auditor/Controller to equivalent officers of another member entity, or to some other person or entity as the law may provide. The Board of Directors on its own may transfer the responsibilities of Treasurer/Depository and Auditor/Controller to equivalent officers of another member entity, or to some other person or entity as the law may provide.

(d) All funds of the Authority shall be strictly, and separately, accounted for and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the member entities. The Auditor/Controller shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted, at a minimum, in accordance with the requirements of the State Controller under Section 26909 of the California Government Code, and shall conform to generally accepted auditing standards.

⁶The audit pursuant to this Subsection shall be conducted on a schedule in conformance with the provisions of California Government Code subsection 26909(b)(2), which allows, in lieu of an annual audit, an audit covering a five year period if the Authority's annual revenues do not exceed an amount specified by the members' Board of Supervisors, which amount is hereby specified as \$20,000.

(e) The governing body of the Placer County Water Agency or its successor, under subparagraph (c) above may establish and collect from the Authority reasonable charges for the services of the Treasurer/Depository and Auditor/Controller.

Section 4.03 Budget: As soon as practical after the execution of this Agreement, and thereafter at least thirty (30) days prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget for the Authority for the ensuing fiscal year.

Section 4.04 Contributions for Operating Expenses:

(a) The initial commitment of funds to the Authority from each member entity for the purposes set forth in this Agreement shall be the sum of \$19,000⁷. The member entities shall equally pay the expenses of the Authority up to their initial commitment of funds upon request from the Board of Directors, as the expenses are incurred. The initial

⁶ Amendment No. 5, dated June 9, 2014, provided flexibility in auditing schedule.

commitment of \$19,000 from each member entity may be increased only by amendment of this Agreement approved by all parties. No party hereto shall be obligated to participate in such an increased commitment unless its governing body has approved the amendment.

- (b) Personnel, equipment or property of one or more of the parties to this Agreement may be used in lieu of other contributions, upon approval of the Board of Directors.

ARTICLE V

RELATIONSHIP OF AMERICAN RIVER AUTHORITY AND ITS MEMBER ENTITIES

Section 6.01 Separate Entity: The Authority shall be a public entity separate from the parties to this Agreement. Unless, and to the extent, otherwise agreed herein, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the member entities. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as otherwise provided in this Agreement.

Section 6.02 Principal Office: The principal office of/the Authority shall be that of the Placer County Water Agency located at 144 Ferguson Road, Auburn, California. The Board of Directors may change the principal office from one location to another.

Section 6.03 Additional Parties: Additional parties may join in this Agreement and become member entities upon unanimous consent of the then-existing parties. The terms and conditions of such joinder shall be set forth in an amendment to this Agreement signed by all of the then-existing parties, and shall be consistent with any contracts, resolutions, indentures or other obligations of the Authority then in effect.

Section 6.07 Termination of a Member Entity's Participation in the Authority:

Notwithstanding anything herein to the contrary, at any time, any member entity may withdraw from this Agreement by giving written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties; provided, that such

withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect. No refund or repayment of the initial commitment of funds or in lieu contributions described in Section 4.05 shall be made to a member entity ceasing to be a party to this Agreement whether pursuant to this Section or any other Section of the Agreement. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made.

Section 6.08 Disposition of Property Upon Termination:

- (a) Upon termination of this Agreement, any surplus money on hand shall be returned to the then member entities of the Authority in proportion to the contributions made.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 7.01 Amendment of this Agreement: This Agreement may be amended by an agreement approved by all parties.

Section 7.02 Notices: Any notice authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the following addresses, or to such changed addresses as are communicated to the Authority and the member entities in writing:

Placer County Water Agency
P.O. Box 3218 - Bowman Branch
Auburn, CA 95603

El Dorado County Water Agency
330 Fair Lane
Placerville, CA 95667

Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603

El Dorado County Board of Supervisors
330 Fair Lane
Placerville, CA 95667

San Joaquin County Board of Supervisors
44 N. San Joaquin Street
Stockton, CA 95202

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.