

ATTACHMENT TO RFQ FOR GRANT MANAGEMENT

REGIONAL WATER AUTHORITY
AMERICAN RIVER TERMS for ECOSYSTEM SUPPORT and INFRASTRUCTURE
ASSISTANCE NEEDS (ARTESIAN)
PROJECT AGREEMENT

This Agreement dated July 25, 2023 is entered into by Regional Water Agency, a California joint powers authority (“RWA”) and the RWA Members and Contracting Entities listed in Exhibit A (collectively “Participants”) who execute this Agreement and agree as follows:

1. Recitals

This Agreement is made with reference to the following background recitals:

1.1. The purpose of this Agreement is to create the American River Terms for Ecosystem Support and Infrastructure Assistance Needs (“ARTESIAN”) Project to govern administration of state funds provided to RWA on behalf of the Participants for early implementation of the American River region’s 2019 Voluntary Agreement proposal.

1.2. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability, and quality of water resources.

1.3. The joint powers agreement pursuant to which RWA was formed and operates (“RWA JPA”), authorizes RWA to enter into a “Project or Program Agreement,” which is defined as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

1.4. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition, or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

1.5. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those

Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

1.6. As further described in this Agreement, RWA and the Participants desire to carry out a project and share in the costs and benefits of a project as provided for in Articles 21 and 22 of the RWA JPA.

1.7. As part of the (unratified and unexecuted) 2019 Voluntary Agreement proposal (“2019 VA Proposal”) for the American River region, American River groundwater providers, including the Participants, proposed to make available 30 thousand acre-feet (“TAF”) of water available through groundwater replenishment in up to 3 of 8 Dry (D) or Critical (C) years¹ through a combination of existing or new facilities and the Sacramento Regional Water Bank. This water will be released from upstream storage through Folsom Reservoir by Reclamation or will occur downstream of Folsom Reservoir in the Lower American River as a result of reduced surface water diversions. Groundwater replenishment for flows made to the Lower American River will be completed no later than March 1 of the following calendar year. The 2019 VA Proposal included a request from American River groundwater providers for a combined amount of \$55 million for infrastructure to make this water available.

1.8. On June 14, 2023, the RWA Board of Directors approved a form of funding agreement (“Funding Agreement”) between RWA and the California Natural Resources Agency (“CNRA”) and the Department of Water Resources (“DWR”) effective June 1, 2023 under which CNRA and DWR will fund up to \$55 million in groundwater infrastructure projects through RWA as funding recipient in exchange for RWA obtaining commitments from the Participants to make available the 30 TAF according to the 2019 VA Proposal.

1.9. On June 30, 2023, the RWA Executive Committee approved the substantively final form of the Funding Agreement and authorized the RWA Executive Director to sign.

1.10. Upon the effective date of the Funding Agreement, the parties desire for this Agreement to govern their respective rights and obligations with respect to administration of state funding under the Funding Agreement.

¹ Based on the Sacramento Valley Index as defined under the Revised State Water Resources Control Board’s Decision 1641.

2. Definitions

The following defined words and terms shall apply in this Agreement:

2.1. Call Year: A year type identified in this Agreement and the State Agreement in which outflow through groundwater replenishment will be provided and “called for” after assessing conditions through the Operations Review Group. This would occur in three out of eight D or C year types during the Agreement term, beginning in 2025. If the total of C and D years from and including 2025 and 2032 is fewer than three, then the State may implement another call year in a D year from and including 2033 and 2036. Specific details of this flow contribution are defined in Exhibit 1A and Exhibit 2, Appendix A.

2.2. Annual Flow Accounting Report (“AFAR”): A document to be produced annually to record the volume of outflow released by Reclamation at Folsom Dam, the flow volumes paid back from the Participants to Reclamation, and report a detailed accounting of which Participants made water available, the total volumes provided, mechanisms used to replenish water, deficits in contributions, over-production of contributions, any mitigation to make up for any Participant’s inability to meet its replenishment obligations, and a discussion of any challenges or lessons learned.

2.3. Master Flow Ledger (“MFL”): A document that will be updated regularly throughout the term of the Agreement to keep an accounting of outflow releases and replenishment. It will serve as a ledger that will summarize the total amount of water provided by each Participant and keep a running tally of total groundwater replenished by the region, provided as an estimate of the amount of water paid back during the current reporting period and the total amount paid back to-date. The MFL will carry forward from year-to-year through the Agreement term. When developing the MFL, Reclamation and the Participants will look at existing resources and sources of information to pull into its development.

2.4. Operations Review Group (“ORG”): The ORG will consist of operations and/or technical staff from Reclamation and each Participant who makes groundwater available for outflow. The ORG will serve as a collective entity to meet, review, confer, and report on water accounting for American River outflow.

2.5. Replenishment: The amount of water made available by Participants to backfill the amount released by Reclamation out of Folsom Reservoir.

2.6. Replenishment Schedule: An informed estimate that provides an explanation and forecast of how and when Participants are anticipating to pay back water releases that Reclamation has made available from Folsom Reservoir.

2.7. Readiness Review: A convening of Participants and other American River water providers with obligations to make outflow available meeting and discussing

each agency's overall readiness to perform and meet their agreed-upon obligations for the upcoming year. The Readiness Review will include the preparation of the Replenishment Schedule.

2.8. Any other term not expressly defined in this Agreement shall have the meaning provided in the Funding Agreement.

3. Term. This Agreement will remain in effect for as long as any obligations under this Agreement remain outstanding.

4. Project Description

4.1. The project that RWA and the Participants create through this Agreement involves using state funds granted to RWA for Participants to design and construct a suite of proposed groundwater infrastructure projects which will make additional water supply capacity available for agencies that provide groundwater. These projects are identified in Exhibit 1 of this Project Agreement. This also includes making outflow available through 30 thousand acre-feet ("TAF") of groundwater substitution in up to three D or C years, and related reporting and coordination requirements, a schedule for which is provided as Exhibit 4, all as further described in this Agreement.

4.2. Eligible Participants in this Project are those RWA Members or Contracting Entities who have a project listed on Exhibit 1.

4.3. This Agreement will become effective upon the execution of this Agreement by RWA and at least one of the named Participants on Exhibit 1.

5. RWA Responsibilities

5.1. RWA shall administer the Funding Agreement and this Agreement for the benefit of the Participants, including:

- Coordinating and administering all aspects of this Agreement;
- Coordinating invoicing, reimbursement, and communication to DWR for projects funded under the Funding Agreement; and,
- Preparing and submitting reports required by the Funding Agreement.

5.2. RWA agrees to subgrant a portion of those funds granted to RWA under the Funding Agreement to each Participant for reimbursement of Eligible Project Costs, as that term is defined in the Funding Agreement, up to the project amounts identified in Exhibit 1A and Exhibit 1B. RWA shall not be responsible for payment of any amounts in excess of the project amounts identified in Exhibit 1A and 1B without written modification of this Agreement. Participants shall invoice RWA for eligible project-related costs, in arrears.

5.3. Each Participant shall reimburse RWA for any erroneous or disallowed disbursement of state funds. Reimbursement shall occur within 30 days of written demand by RWA.

5.4. RWA shall not be obligated to disburse any remaining unpaid portion of state funds unless and until sufficient funds identified for allocation to a Participant are released by the state to RWA for expenditure under the Funding Agreement. RWA shall expeditiously seek the release of state funds held by the state for projects funded by this Agreement.

6. Participant Responsibilities

6.1. Participants, acting as Local Project Sponsors under the Funding Agreement, shall have sole responsibility for design, construction, management, oversight, compliance, operations, maintenance and legal compliance for the projects funded by this Agreement. As a condition of receiving state funds under this Agreement, Participants agree to complete their funded projects and assume all project costs not reimbursed with state funds through this Agreement.

6.2. Except for the RWA responsibilities in section 5, the Participants shall also assume and perform all of RWA's obligations under the Funding Agreement with respect to their projects funded under this Agreement. The responsibilities assumed by each Participant are those provided in the Funding Agreement attached Exhibit 2 and Exhibit 2, Appendix A of this Agreement.

6.3. Participants shall meet all reporting requirements in a timely manner, as well as providing an obligated portion of groundwater contributions to outflow as specified in Exhibit 1A. This includes participating in a regional total of 30 TAF available from groundwater replenishment in up to three D or C years out of eight years of the Agreement, and for an additional four years if three D or C years do not occur in the initial eight-year period, all in compliance with the specific terms of the Flow Contribution set forth in the Funding Agreement.

6.4. Participants agree not to take any action that will cause RWA or any other Participant to breach the Funding Agreement. RWA will have no obligation to prepare and submit invoices or take any other actions on behalf of, or liability for failing to take any action in regard to obtaining reimbursement for, any Participant that breaches one or more of its responsibilities provided in this Agreement hereof and that fails to cure such breach promptly after receipt of notice from RWA of the breach and requirements for curing the breach.

6.5. To ensure an external evaluation of water made available in support of the VA nets the 30 TAF of groundwater, participants agree that commensurate reductions of groundwater extractions at a level equal to or greater than water

commitments, or other beneficial actions such as direct groundwater recharge, during non-Dry or Critical years is vital.

6.6. Flow Contribution.

6.6.1. Each Participant agrees that, as part of a regional arrangement with Reclamation, it will make available the agreed-upon quantity of outflow in up to three out of eight D or C years, provided in Exhibit 1A.

6.6.2. Assuming Reclamation provides outflow from Folsom Dam as early as March 1 of a call year, Participants will begin to replenish releases made by Reclamation as early as March 1 by reducing surface water diversions and providing groundwater substitution. The timing to achieve this complete replenishment from groundwater will rely on the rate of demand for water within the region, but shall not go beyond March 1 of the following calendar year.

6.6.3. Each Participant represents and warrants that it has and will maintain for the term of this Agreement sufficient water rights or rights to contract water to meet its outflow obligation under this Agreement. This representation and warranty shall be made effective as of the date the Participant first incurs costs for a funded project that may be reimbursable under this Agreement. Each Participant further represents and warrants that it will take actions to the satisfaction of RWA and the other Participants to ensure that the agreed quantity of water is made available for outflow from Folsom Reservoir.

7. Project Coordination and Prioritization

7.1. Project Committee. The Participants may form a Project Committee consisting of one representative (and one or more alternates) designated by each Participant. The Project Committee may meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. The Project Committee may also use other forms of communication if appropriate, such as e-mail, in order to make decisions or reach intended outcomes.

7.1.1. The Project Committee may meet when needed to assess project status and review any related information. No later than December 31, 2023, if a project is determined by the Project Committee to be unforeseeably infeasible or impracticable, then the Project Committee may meet and confer with the project-specific Participant(s) with the affected project and provide recommendations to RWA on an alternative project that will still achieve the intended objectives of the Funding Agreement. The Project Committee may consider Priority 2 Projects (Exhibit 1B and Exhibit 2, Appendix A – Exhibit A) and any other relevant information provided by the Participant(s).

7.2. Collaboration Schedule. In order for there to be coordination among the Participants and ensure efficient, effective, and collaborative engagement of the implementation of outflow replenishment associated with this Agreement, a schedule has been developed as guidance for making recommendations and ultimate decisions. This schedule is provided as Exhibit 4.

7.3. Commitment to Participate in a Readiness Review

7.3.1. In early February of each year during the term of the Agreement, a group comprised of one member from each of the Participants and other American River water providers, as necessary, with obligations to make outflow available will convene and discuss each agency's overall readiness to perform and meet their agreed-upon obligations (Readiness Review). From this conversation, parties will understand their commitments and will prepare to meet their current year's obligations.

7.3.2. As part of the Readiness Review, Participants will provide a Replenishment Schedule by March 15 of each call year. The Replenishment Schedule will provide an explanation and forecast of how and when Participants are anticipating to pay back water releases that Reclamation has made from Folsom Reservoir. The Replenishment Schedule will also include whether replenishment would pass through Folsom Reservoir. If a Participant is making replenishment available at or above Folsom Reservoir, then Reclamation would physically see this water showing up in the lake and it would reflect in the overall accounting of Folsom storage. Passing through Folsom Reservoir is important as Reclamation will need to account for replenishment of flows downstream. Since downstream pay back of released outflow to the Lower American River is anticipated to come from groundwater providers via a reduction in surface diversions and increased groundwater production (i.e., groundwater replenishment), Reclamation will need to use the Participant's predicted and real-time estimates of replenishment to keep an accounting. A designated RWA representative will compile feedback from each Participant to create the Replenishment Schedule and to submit it to Reclamation.

7.4. Commitment to Participate in the Operations Review Group (ORG)

7.4.1. A determination on whether releases will be made on an annual basis will be recommended by the ORG. By mid-February of each year of the Agreement term, the ORG will walk through various potential scenarios for the forthcoming water year, which includes the review of current information and forecasts, and discussion of potential risks that could cause changes to planned flow releases or replenishment.

7.4.2. If it appears to be a C or D year type, the ORG will discuss whether there should be environmental outflow, provided through groundwater substitution, in that year. Depending on current conditions, whether calls of a certain year type were made in prior years, whether future potential call years may have more favorable

conditions for flow releases, uncertainty related to initial Central Valley Project allocations, or other varying factors, the ORG may make a recommendation to Participants to make outflow releases that year or to hold off on providing outflow until a potential future year.

7.4.3. If the ORG determines that it will be a year that outflow will be provided (a “call year”), then it will also recommend a flow release schedule and assess biological conditions in the Lower American River to determine optimum timing and volumes of releases.

7.5. Flow Accounting

7.5.1. Starting as early as the week of March 1 or when Reclamation begins releasing outflow from Folsom Reservoir, the Master Flow Ledger (MFL) will begin keeping track of releases at Folsom Reservoir and of the following replenishment by Participants. The MFL will provide a running tally of outflow and replenishment, provided as an estimate of the amount of water paid back to Folsom storage during the current reporting period and the total amount paid back to-date within the year. The ledger will be placed in a readily and publicly accessible and version-controlled location. The ledger will be updated weekly throughout the year until committed replenishment volumes are fulfilled. Each Participant will provide weekly updates to the MFL during the course of their replenishment period.

7.5.2. In January following a call year, the ORG shall convene to review the accounting from Reclamation and the Participants and “true up” real-time flow numbers with actual volumes accounted for after outflows are fully replenished in Folsom Reservoir and through MFL accounting. These verified numbers will then be placed into an annual report summarizing findings, the Annual Flow Accounting Report (AFAR).

7.5.3. By February 1 of the year following a call year, the ORG will prepare and complete the AFAR. The AFAR will be made available after water is substantially replenished from all intended sources. This document will verify the flow volumes paid back and report a detailed accounting of which Participants made water available, the total volumes provided, mechanisms used to replenish water, deficits in contributions, over-production of contributions, any mitigation to make up for any Participant’s inability to meet its replenishment obligations, and a discussion of any challenges or lessons learned.

7.5.4. The MFL will be ongoing across all years of the term of the Agreement and is intended to carry forward into future years. This will allow Participants to have the ability to compare relative contributions across years, enable potential payback between Participants, and create multi-annual reports and assessments, as needed.

7.6. Role of RWA. The Executive Director of RWA will: (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to

the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, and (d) administer implementation of the grant on behalf of RWA and the Participants consistent with the determinations of the Project Committee and the provisions of this Agreement.

7.7. RWA Project Management Expenses. RWA has developed an estimate of administrative expenses in coordinating aspects of the Funding Agreement, which is provided in Exhibit 3. RWA will submit invoices for reimbursement to DWR along with other project expenses from Participants. RWA will submit a quarterly statement to the Participants for the Project Management Expenses, which shall include a brief description of the work performed, the dates of work, number of hours worked, and staff positions in accordance with Exhibit 3. If RWA does not expend the estimated amount, the remaining funds will be utilized for Participant's projects.

8. Breach; Termination; Withdrawal

8.1. Termination by Default. Any Participant's failure to perform any obligation under this Agreement is a material breach of the Agreement. In the event of a material breach, the non-defaulting Participants or RWA may provide the defaulting Party with written notice of the breach and specify a reasonable opportunity to cure. If the defaulting Participant fails to cure a material breach after such notice and a reasonable opportunity to cure, the non-defaulting Participants and RWA may terminate a Participant's participation in this Agreement upon 30 days written notice to the defaulting Participant identifying the reason for termination.

8.2. Termination by Mutual Agreement. This Agreement also may be terminated by mutual written agreement of the parties.

8.3. Termination for Lack of Funding. The primary source of funding for this Project is the State of California under the Funding Agreement. If state funding is reduced, deleted, or delayed by the budget process or other budget control actions, RWA shall provide written notice to the Participants either suspending or canceling the Agreement.

8.4. Withdrawal of a Participant. A Participant may withdraw from this Agreement at any time, effective upon sixty days' notice to RWA and the other Participants.

8.5. Effect of Termination or Withdrawal.

8.5.1. A Participant whose participation in this Agreement has been terminated by default, withdrawal, or any other reason, and who have already submitted invoices and accepted state funds from RWA under the Funding Agreement, shall provide immediate reimbursement of all funds received.

8.5.2. A Participant whose participation in this Agreement has been terminated by withdrawal and who has not received any state funds from RWA under the Funding Agreement may withdraw without cost and shall be relieved of all future liability under this Agreement upon the effective date of the Participant's withdrawal.

9. Project Liability and Indemnity

9.1. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those RWA Members and/or Contracting Entities who have not executed this Agreement.

9.2. Participants acknowledge that RWA entered into the Funding Agreement at their request and for their benefit. Each Participant agrees to indemnify, defend, protect, and hold harmless RWA and its officers, employees, agents, Members, and Contracting Entities from and against any claims, liability, losses, damages and expenses (including attorney, expert witness, and litigation costs), including, but not limited to, any matter tendered to RWA for indemnification or defense under the Funding Agreement that arise out of, pertain to, or are related to this Agreement or the Funding Agreement. This indemnity provision will not apply to any claim or matter arising from the sole negligence or willful misconduct of RWA. Obligations under this indemnification provision are joint and several and shall survive the termination of this Agreement.

9.3. Each Participant agrees to indemnify, defend, protect, and hold harmless RWA and its officers, employees, agents, Members, and Contracting Entities, and each other Participant and their officers, employees, and agents, from and against any claims, liability, losses, damages and expenses (including attorney, expert witness, and litigation costs) that arise out of, pertain to, or are related to the facilities funded through this Agreement or the flow contribution obligations provided for in this Agreement. This indemnity provision will not apply to any claim or matter arising from the sole negligence or willful misconduct of RWA.

10. General Provisions

10.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Settlement Agreement.

10.2. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

10.3. Authority. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Agreement.

10.4. Compliance with Laws. Each party shall comply with all applicable federal, state, and local laws, statutes, and regulations.

10.5. Cooperation. Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this Agreement.

10.6. Notice. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by electronic mail; or (c) personal delivery.

10.7. Counterparts. This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

10.8. Governing Law. Except as otherwise required by law, the Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Pages]

[Participant Signature Blocks on Separate Pages – each Participant to provide their standard signature blocks]

EXHIBIT 1A

PROJECT PARTICIPANT FUNDING AWARD AND FLOW CONTRIBUTION

Funding Recipient	Flow Commitment² (AF)	State Funding Provided (Million \$)
Carmichael Water District	3,800	6.83
Citrus Heights Water District	1,963	3.53
City of Roseville	4,460	8.01
City of Sacramento	3,932	7.06
Fair Oaks Water District	1,374	2.47
Golden State Water Company	763	1.37
Orangevale Water Company	460	0.83
Sacramento Suburban Water District	10,488	18.84
Sacramento County Water Agency	2,760	4.96
RWA Administration		1.10
Total	30,000	55.00

² The total commitment provided here assumes streamflow depletion factor is included.

EXHIBIT 1B

PROJECTS TO BE FUNDED

Projects here are divided into two categories: Priority 1 Projects and Priority 2 Projects. Priority 1 Projects are projects that as the date of execution of the Funding Agreement that Participants intend to complete and for which they plan to seek reimbursement through the Funding Agreement. Priority 2 Projects are projects that are provided for in the Funding Agreement in the event that one or more Priority 1 Projects become unforeseeably infeasible or impracticable. RWA and Participants will work together as identified in ARTESIAN article 7.1.1 to identify another acceptable project. In the event a Priority 1 Project is determined to be infeasible or impracticable, RWA and the Participant will recommend an alternative Priority 2 project to DWR, and all entities shall mutually agree on a Priority 2 Project to replace the Priority 1 Project.

Priority 1 Projects

Agency	Project Name
City of Roseville	ASR Well - Mistywood ASR Well - Campus Oaks
Sacramento County Water Agency	Elk Grove Automall Well Poppy Ridge Storage Tank
Sacramento Suburban Water District	Well 84 Antelope/Don Julio (ASR-equipped) Wells 81, 82, and 83 Antelope North/Poker
Carmichael Water District	Construct two ASR wells (Ladera and Winding Way)
City of Sacramento	Groundwater Wells - Capacity Enhancements Well 168
Golden State Water Company	Upgrade existing connection between GSWC with SCWA in the Cordova System (Mercantile and Foyer)
Citrus Heights Water District	ASR Well Equipping
Fair Oaks Water District	Northridge Replacement Well
Orange Vale Water Company	Well 4 or Well 5

Priority 2 Projects

Agency	Project Name
City of Roseville	ASR Well - Pleasant Grove ASR Well - Marlin Drive
Sacramento Suburban Water District	Well N35 Antelope North (Granular activated carbon treatment for PCE)
Carmichael Water District	Replace Garfield-San Juan-Lincoln transmission lines between two wells (includes intertie with CHWD) Backup power at existing well sites Intertie and pump station with SSWD
City of Sacramento	Florin Booster Pump Station Well 170 Well 171 Well 172 Groundwater Treatment at Wells (133,134,164, 166) Water Quality Sampling GW Power Reliability Project
Fair Oaks Water District	Fair Oaks Water District Regional Distribution Facility Carmichael Water District Interconnection Pipeline & Booster Facility Phoenix Park Well Project
Orange Vale Water Company	Well No. 4 or 5 Well No.3 Storage Tank Booster Pump Station

EXHIBIT 2

PARTICIPANT/LOCAL PROJECT SPONSOR OBLIGATIONS UNDER CNRA AND DWR VOLUNTARY AGREEMENT EARLY INFRASTRUCTURE FUNDING

Each Participant listed in Exhibit 1A and 1B, acting as a Local Project Sponsor, agrees that it will fully and timely perform all Local Project Sponsor obligations. Under Article 4 of the Funding Agreement, each Local Project Sponsor is to assume RWA's obligations for the purposes of individual project management, oversight, compliance, and operations and maintenance, and to act on behalf of RWA in the fulfillment of RWA's responsibilities under the Funding Agreement. For each Participant and its project or projects, these Funding Agreement obligations include, but are not limited to:

- Flow Contribution (Paragraph 1 and Exhibit A);
- Project CEQA compliance (Paragraph 5.C);
- Continuing Eligibility (Paragraph 12);
- DWR's Facilitating Improvements to Systemwide Habitat Program Guidelines Funding Requirements (Paragraph 12.F);
- Operation and Maintenance (Paragraph 14);
- Standard Conditions (Exhibit D); and,
- State Audit Document Requirements and Funding Match Guidelines for Funding Recipients (Exhibit H).

To the extent any Funding Agreement obligation assumed by a Participant requires coordination, communication, or submission of information to DWR, Participant shall coordinate its activities with RWA.

The Funding Agreement is attached as Appendix A to this Exhibit 2 and made a part hereof. The attached current draft agreement will be replaced as necessary with any amended drafts and, when executed, with the final document. RWA will provide each Participant with a copy of the operative Funding Agreement and any amendments to it. Any new or amended terms and conditions in subsequent versions of the Funding Agreement will govern over the similar terms and conditions stated in this Exhibit 2 Appendix A. Each Participant will include all applicable provisions in this Exhibit 2, Appendix A as contract terms, conditions or specifications in any consulting, construction or other contract let to a contractor or subcontractor to carry out any portion of a project funded under the Grant Agreement.