

**BOARD OF DIRECTORS
ORLAND-ARTOIS WATER DISTRICT**

RESOLUTION NO. 2015-06

**RESOLUTION AUTHORIZING THE EXPENDITURE OF DISTRICT FUNDS IN
COLLABORATION WITH THE SITES INVESTOR GROUP TO CONDUCT
STUDIES, INVESTIGATIONS AND RELATED WORK FOR THE
DEVELOPMENT OF THE SITES RESERVOIR PROJECT**

WHEREAS, the Orland-Artois Water District has been collaborating with the Colusa County Water District, Cortina Water District, Davis Water District, Dunnigan Water District, Glide Water District, Kanawha Water District, LaGrande Water District, Myers-Marsh Mutual Water Company, Proberta Water District and Westside Water District on issues relating to the development of the Sites Reservoir Project (“Project”) in an informal group known as the Sites Investor Group (“Group”);

WHEREAS, the District and the other members of the Group also are negotiating with the members of the Sites Project Authority (“SPA”) for membership of certain members of the Group to become members of the SPA and to merge the activities of the two entities into a single joint effort to help ensure that the Project is properly studied and, if feasible, is timely implemented to provide the Group, the SPA, and state-wide interests with water supply and reliability benefits;

WHEREAS, to coordinate their efforts and to share in the costs of jointly obtaining the assistance of technical, financial and legal consultants to perform studies and investigations concerning the feasibility and implementation of the Sites Reservoir Project, and to negotiate with the SPA for representation on its board of directors and the joining of the two groups efforts to further study and implement the Project, and such actions as may be necessary to advance the Project, it is necessary for the District and all other members of the Group to create an initial common fund to finance their activities; and

WHEREAS, the Group has agreed that each of its members should make an initial contribution to the fund at the rate of \$2.00 per acre-foot for each acre-foot of water that each member has tentatively committed to purchase from the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Orland-Artois Water District as follows:

1. The Board hereby finds and determines that the expenditure of District funds on activities connected to the Project is for a lawful District purpose because the Project could

yield significant new surface water supplies to the District and increase the reliability of its existing water supplies. In addition, increasing surface water supply availability and water supply reliability would benefit the District as it implements its compliance with the mandates in the 2014 Sustainable Groundwater Management Act.

2. The Board authorizes the expenditure of \$40,000 (\$2.00/acre-foot x the District's 20,000 acre-foot commitment for Sites water supplies) for costs associated with the Group's work on the Project. The General Manager is authorized to deliver a check in that amount to the Group in the manner provided in the cost sharing agreement.

3. The General Manager is directed to report back to the Board at least quarterly on the activities conducted by the Group and the SPA, and to account for expenditure of District funds paid for Project activities. The Board further authorizes the General Manager to provide any necessary approvals required for the Group's expenditure of the District's \$40,000 contribution, subject to the reporting requirements provided in this paragraph. The Board also authorizes the Board President or the General Manager, with the President's prior approval, to sign any documents that are necessary for the District or the Group to carry out their Project-related actions.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the Orland-Artois Water District on July 21, 2015 by the following vote:

AYES: *Mike Vereschagin, Chuck Schonauer, Jim Jones*

NOES:

ABSENT: *Ernest Pieper, John Erickson*

By: _____

Mike Vereschagin

President, Board of Directors

ATTEST:

Emil Cavagnolo

Emil Cavagnolo

General Manager/Secretary