
File ID: 2025-01730

6/16/2026

[Contract] RiverArc Implementation Partner Cost Sharing for Third Pump at Pritchard Lake Diversion Facility

File ID: 2025-01730

Location: Citywide

Recommendation: Pass a **Motion** authorizing the City Manager or designee to: 1) execute the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility with Natomas Central Mutual Water Company and the Agreement for RiverArc Implementation Partner Cost Sharing Related to the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility with Natomas Central Mutual Water Company with Placer County Water Agency and the City of Roseville (collectively, the “Partners”); and 2) make City cost-share payments under these Agreements for one-third (1/3) of the Partners’ total share of design costs related to the incremental cost to increase the third pump capacity from 40 cfs to 60 cfs. The City’s share is estimated to be up to \$200,000, to be funded from the Water Master Plan Program (I14510200, 6005).

Contact: Michelle Carrey, Supervising Engineer, (916) 808-1438, mcarrey@cityofsacramento.org; Sherill Huun, Engineering & Water Resources Division Manager, (916) 808-1455, shuun@cityofsacramento.org; Dalia Fadl, Director, (916) 808-3765, dfadl@cityofsacramento.org; Department of Utilities

Presenter: None

Attachments:

- 1-Description/Analysis
- 2- Agreement for RiverArc Implementation Partner Cost Sharing Related to the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility
- 3-Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility

Description/Analysis

Issue Detail: Staff recommends City Council approve two related agreements: the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility with Natomas Central Mutual Water Company (NCMWC), and the Agreement for RiverArc Implementation Partner Cost Sharing with Placer County Water Agency (PCWA) and the City of

Roseville for the Third Pump at Pritchard Lake Diversion Facility for the RiverArc Project. The RiverArc project will help protect the American River ecosystem and improve water supply reliability for the City of Sacramento as well as the region. NCMWC is currently involved in a multi-phase levee improvement project that will result in improvements being made to the levees and related facilities around NCMWC's service area including the Pritchard Facility. Concurrently, NCMWC intends to design and make improvements to the Pritchard Facility including installation of a 40 cubic feet per second (cfs) third pump in the empty pump bay for improved pumping efficiency and redundancy. The Partners desire to participate in the improvements being made, specifically the incremental upgrade of the third pump from a 40-cfs pump to a 60-cfs pump.

Policy Considerations: City Council approval is required for agreements of \$250,000 or more per City Code 3.56.090. This action is consistent with the 2040 General Plan Policy PFS-3.1 to enable the City to continue to provide reliable water services.

Economic Impacts: None.

Environmental Considerations: The proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(2 and 5). The activities described in this report are continuing administrative or maintenance activities, such as purchases or personnel-related activities, and administrative activities that will not result in direct or indirect physical changes on the environment. This activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060 (c)(3). Appropriate project CEQA review will be completed prior to commencement of the project. The Sacramento Area Flood Control District in coordination with NCMWC have conducted CEQA review for the Pritchard Lake Diversion Facility. Additionally, the City with its RiverArc project partners are preparing an Environmental Impact Report for the RiverArc project, which will require certification prior to undertaking the project.

Sustainability: The proposed project is consistent with the 2040 General Plan under policy PFS-3.5 and the Climate Action & Adaptation Plan policy A-1-5 as the City and Partners will collaborate on regional water supply solutions, which will help secure sufficient water treatment capacity.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The RiverArc Project provides a foundational, regional approach to water supply security in the American River watershed. The Project seeks to strategically shift water supply diversions from the American River to the Sacramento River, using existing water supplies, to reduce reliance on the American River and increase instream flow opportunities in the Lower American River watershed.

For many years, the Partners have been collaborating with NCMWC to develop agreeable terms and conditions for the use of the Pritchard Facility for the purposes of the RiverArc Project. Upgrade of

the third pump from 40 cfs to 60 cfs will improve pumping capacity and efficiency. Funding the City's share of design costs related to the incremental upgrade cost will allow cost-effective partnering to improve the long-term reliability of water supplies.

Financial Considerations: The proposed agreement is for one-third (1/3) of the total design costs, which for the City's share, is currently estimated to be up to \$200,000. Sufficient funding exists in the Water Master Plan Program (I14510200, Fund 6005) to award the agreement.

There are no General Funds allocated or planned for this project.

Local Business Enterprise (LBE): Not applicable.

Background:

The RiverArc Project is a long term, multi-agency regional surface water supply initiative led by the City of Sacramento, Placer County Water Agency, and City of Roseville (the "Partners") to improve water supply reliability and reduce environmental impacts on the Lower American River. The project will ultimately shift a portion of existing and future diversions from the Lower American River to the Sacramento River through use of an existing diversion site, new conveyance facilities and pump stations, and a future RiverArc Water Treatment Plant. The Partners must secure capacity at the existing Pritchard Lake Diversion Facility, which is owned and operated by the Natomas Central Mutual Water Company (NCMWC). The Pritchard Lake facility will serve as the initial conveyance point for raw Sacramento River water for the first phase of RiverArc operations. Because NCMWC is undertaking levee and facility improvements in the near term, the Partners must participate now in the upgrade of the third pump bay (expanding its capacity from 40 cfs to 60 cfs) to preserve future diversion capacity, increase operational flexibility, and ensure the Partners' ability to convey Sacramento River water when RiverArc facilities come online many years from now. The Partner agencies will rely on the Pritchard Lake Diversion Facility for their future surface water deliveries and therefore must cost share the necessary upgrades at Pritchard Lake. A separate Joint Use Agreement with NCMWC (currently under development) will define and secure the Partners' long term rights to use additional Pritchard Lake facility capacity. The partners are also evaluating potential property for the future RiverArc Water Treatment Plant; however, the site has not yet been acquired.

A Memorandum of Agreement (MOA) for planning and early design of the RiverArc Project was executed in March 2016. The MOA authorized a partnership of water purveyors to plan for shared use of the NCMWC's diversion on the Sacramento River, to build pipelines, pump stations, and a new water treatment plant for regional water supply. As of July 2025, the parties to the MOA include the City, the Placer County Water Agency, the City of Roseville, and the Sacramento County Water Agency (SCWA). Although the Sacramento County Water Agency remains a party to the RiverArc MOA, it is not participating in the Pritchard Lake upgrade effort undertaken by the City, PCWA, and the City of Roseville.

Ahead of formation of the Joint Powers Authority (JPA), the City, PCWA, and the City of Roseville are jointly participating in the third-pump upgrade while NCMWC completes its related levee and facility improvements.

For many years, the RiverArc Partners have been collaborating and working with NCMWC in good faith to develop agreeable terms and conditions for the use of their Pritchard Lake Diversion Facility for the purposes of the RiverArc Project. The Pritchard Facility was constructed in 2014 with a state-of-the-art fish cylindrical wedge wire fish screen and cleaning system, two (2) existing 60 cubic-feet-per-second (cfs) pumps and motors, welded steel discharge pipes, sediment jetting system, and control system enclosure. A third pump bay was constructed with the Pritchard Facility but has remained empty and unused, making additional pumping capacity a possibility.

Under the Agreement for RiverArc Implementation Partner Cost Sharing Related to the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility, the City will serve as the Administrative Agency, managing project accounting, coordinating invoicing and payments, and reviewing design phase invoices from the NCMWC on behalf of the Partners. The City will obtain reimbursement from the Partners for their one-third shares of design phase costs. The City's \$200,000 contribution represents its one-third portion of the Partners' \$600,000 not-to-exceed design phase obligation. These costs apply only to design. If the Partners choose to advance the project to construction, a Go Forward Notice and separate approval by each governing body is required. DOU would then return to City Council for consideration and authorization of construction phase funding.

The primary purposes of the RiverArc Project are: (1) to divert water through existing, or potentially upgraded, intake(s) from the Sacramento River to offset water diverted from the American River, deliver that water through new raw water pipelines to a new regional water treatment plant, and distribute the treated surface water through new and existing pipelines to the Parties; (2) alleviate pressure on the lower American River ecosystem; and (3) to recharge the groundwater storage basin via "direct" or "in lieu" recharge in wet years, so that groundwater can be used in years when surface water supplies are insufficient to meet the needs of the Sacramento region and potentially other areas in northern California.

**AGREEMENT FOR RIVERARC IMPLEMENTATION PARTNER COST SHARING
RELATED TO THE AGREEMENT FOR COST SHARING FOR THIRD PUMP AT
PRITCHARD LAKE DIVERSION FACILITY WITH NATOMAS CENTRAL MUTUAL
WATER COMPANY**

This Agreement ("Agreement") is made and entered into on May 20, 2026, by and among the City of Sacramento ("Sacramento"), a California municipal corporation, the City of Roseville ("Roseville"), a California municipal corporation, and the Placer County Water Agency ("PCWA"), a public agency established under the laws of the State of California. Collectively, the foregoing entities are referred to herein as the "RiverArc Implementation Partners."

RECITALS

WHEREAS, the RiverArc Implementation Partners, together with Natomas Central Mutual Water Company ("Water Company"), intend to enter into an Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility (the "Pritchard Lake Agreement"), included as Attachment A; and

WHEREAS, the RiverArc Implementation Partners desire to allocate among themselves the costs and responsibilities associated with their obligations under the Pritchard Lake Agreement; and

WHEREAS, the RiverArc Implementation Partners desire that Sacramento serve as the administrative agency for payment of costs and management of design and related activities under the Pritchard Lake Agreement; and

WHEREAS, the RiverArc Implementation Partners intend that this Agreement be incorporated into a future Joint Powers Agreement to be established by the RiverArc Implementation Partners, upon formal action by the Joint Powers Authority (JPA).

NOW, THEREFORE, the RiverArc Implementation Partners agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the following terms shall have the meanings set forth below:
 - a. "Administrative Agency" means the City of Sacramento, which shall perform the administrative duties set forth in Section 2 of this Agreement.
 - b. "Agreement" means this Agreement among the RiverArc Implementation Partners for sharing costs associated with the Pritchard Lake Agreement.

- c. "Budget" means the annual budget contemplated by this Agreement, which shall be prepared by Sacramento, as Administrative Agency, and approved by the governing body of each RiverArc Implementation Partner prior to funding. The Budget shall include the allocation of funds and the apportionment of administrative expenses to be shared equally among the RiverArc Implementation Partners.
- d. "Go Forward Notice" means the written authorization to proceed with construction of the RiverArc Upgrades, as defined in and issued pursuant to the Pritchard Lake Agreement.
- e. "JPA" means the Joint Powers Authority to be established by the RiverArc Implementation Partners for implementation and operation of the RiverArc Project.
- f. "Fiscal year" means July 1 through June 30 of the following year.
- g. "Pritchard Lake Agreement" means the Agreement for Cost Sharing for Third Pump at Pritchard Lake Diversion Facility by and among the RiverArc Implementation Partners and Water Company.
- h. "RiverArc Implementation Partners" means collectively the City of Sacramento, the City of Roseville, and the Placer County Water Agency.
- i. "RiverArc Upgrades" means the improvements and upgrades to the Pritchard Lake Diversion Facility described as the "RiverArc Upgrades" in the Pritchard Lake Agreement.
- j. "Water Company" means the Natomas Central Mutual Water Company.
- k. "Withdrawal" means the voluntary departure of a RiverArc Implementation Partner from this Agreement, subject to the terms set forth in Section 7.

AGREEMENT

1. Cost Sharing.

- a. Cost Sharing. Subject to the limitations and conditions set forth in the Pritchard Lake Agreement, the RiverArc Implementation Partners agree to share equally the costs associated with design phase services for the RiverArc Upgrades incurred prior to issuance of the Go Forward Notice. The RiverArc Implementation Partners' total collective obligation shall not exceed Six Hundred Thousand Dollars (\$600,000) for design phase services and Forty Thousand Dollars (\$40,000) for administrative services over 4 years as described in Section 3.f. Each RiverArc Implementation Partner shall be responsible for one third (1/3) of such amount, unless the RiverArc Implementation Partners unanimously agree in writing to a different cost share allocation, and subject to Section 8. Cost Control and Approvals in this Agreement.
- b. No RiverArc Implementation Partner shall have any obligation to fund construction phase services or construction related costs for the RiverArc Upgrades unless and until the RiverArc

Implementation Partners issue the Go Forward Notice in accordance with the Pritchard Lake Agreement. Upon issuance of the Go Forward Notice, each RiverArc Implementation Partner shall be obligated, subject only to any termination rights expressly provided in the Pritchard Lake Agreement, to fund its proportionate share of construction phase costs and related expenses for the RiverArc Upgrades.

2. Amendment Upon Authorization to Proceed with Construction.

a. Upon issuance of the Go Forward Notice pursuant to the Pritchard Lake Agreement, the RiverArc Implementation Partners shall promptly amend this Agreement to reflect:

- The Engineer's Estimate for construction phase services and construction of the RiverArc Upgrades;
- Each RiverArc Implementation Partner's one third (1/3) share of such estimated construction phase costs;
- Any agreed contingency amount associated with construction phase services; and
- Any additional cost control, billing, or approval requirements applicable during the construction phase.

b. For clarity, the RiverArc Implementation Partners' obligation to fund construction phase costs arises upon issuance of the Go Forward Notice under the Pritchard Lake Agreement and is not dependent upon execution of the amendment described in this Section. It is the intent of the RiverArc Implementation Partners that approval of the Go Forward Notice and approval of the amendment described in this Section be considered concurrently by their respective governing bodies.

c. Until such amendment is executed by all RiverArc Implementation Partners, this Agreement shall govern only the allocation and administration of design phase services and other pre-construction costs incurred under the Pritchard Lake Agreement.

3. Administration. Sacramento shall serve as the Administrative Agency for purposes of implementing this Agreement. In carrying out these responsibilities, Sacramento and the RiverArc Implementation Partners shall:

a. Sacramento shall establish and maintain a dedicated account for the receipt and disbursement of project funds. Sacramento shall coordinate invoicing and payments and ensure that funds are transmitted to the Water Company in accordance with this Agreement and the Pritchard Lake Agreement.

b. The RiverArc Implementation Partners shall collectively pre-pay to Sacramento, as Administrative Agency, the full amount of the RiverArc Implementation Partners' collective design phase cost obligation per Section 1(a) of this Agreement, within thirty-five (35) days of receipt of an invoice from Sacramento. Sacramento shall issue such invoice upon confirmation from the Water Company that design phase services under the Pritchard Lake Agreement are expected to commence. Each RiverArc Implementation Partner shall be responsible for a not-to-exceed (NTE) amount of Two Hundred Thousand Dollars (\$200,000). If additional design phase services are needed under the Pritchard Lake Agreement, RiverArc Implementation Partners will amend this Agreement.

c. Additional deposits for construction phase services or other costs shall only be required if and when (i) a Go Forward Notice has been issued pursuant to the Pritchard Lake Agreement, and (ii) this Agreement has been amended in accordance with Section 1 to reflect the approved construction phase funding. Following satisfaction of those conditions, Sacramento may invoice the RiverArc Implementation Partners from time to time in amounts reasonably necessary to meet upcoming obligations under the Pritchard Lake Agreement during the construction phase.

d. Sacramento shall not pay invoices related to construction of the RiverArc Upgrades unless and until the Go Forward Notice has been issued in accordance with the Pritchard Lake Agreement.

e. Invoices from the Water Company's consultants and contractors, as provided under the Pritchard Lake Agreement, shall be reviewed by Sacramento, on behalf of the RiverArc Implementation Partners, and Sacramento shall provide comments or approval, and subsequent payment to Water Company within forty-five (45) days of receipt of any invoice package.

f. Sacramento shall be reimbursed annually by the RiverArc Implementation Partners for reasonable staff time and expenses incurred in administering this Agreement. Administrative cost recovery shall commence upon initiation of design phase services under the Pritchard Lake Agreement, as confirmed by the Water Company. An annual NTE amount of \$10,000 shall apply for each fiscal year in which such costs are incurred, with a cap of four years for a cumulative NTE amount of \$40,000. Sacramento may adjust the annual NTE amount if actual administrative costs materially differ, subject to review and concurrence of the RiverArc Implementation Partners. Each RiverArc Implementation Partner shall be responsible for one third (1/3) of the administration costs and shall be invoiced annually by Sacramento. Each RiverArc Implementation Partner shall pay its share within thirty (30) days of receipt of an invoice.

g. Sacramento may retain a consultant, at shared expense of the RiverArc Implementation Partners, to assist with Administrative costs tracking, allocation of costs among the RiverArc Implementation Partners, preparation of financial reports, and reconciliation of accounts.

4. Term. This Agreement shall remain in effect until the earlier of:

a. Completion of all obligations of the RiverArc Implementation Partners under the Pritchard Lake Agreement, or

b. Termination of the Pritchard Lake Agreement in accordance with its terms, including termination resulting from the RiverArc Implementation Partners' decision not to issue the Go Forward Notice within the time period required under the Pritchard Lake Agreement, or

c. Formation of the JPA and formal assumption of this Agreement by the JPA pursuant to action of its governing board.

5. Incorporation into Joint Powers Agreement. Upon formation of the JPA, the RiverArc Implementation Partners anticipate that this Agreement, together with its administration, funding obligations, and all other rights and responsibilities set forth herein, shall be assumed by the JPA upon

formal action of the JPA governing board. Following such assumption, the JPA shall succeed to the rights and obligations of the RiverArc Implementation Partners under this Agreement.

6. Indemnification. Each RiverArc Implementation Partner shall indemnify, defend, and hold harmless the other RiverArc Implementation Partners, and their respective officials, officers, employees, and agents, from and against any and all claims, damages, liabilities, and expenses, but only to the extent arising from the negligent or wrongful acts or omissions of the indemnifying RiverArc Implementation Partner, its officers, employees, or agents.

7. Dispute Resolution. Any disputes arising under this Agreement shall be subject to the following process:

a. Informal Negotiation. The RiverArc Implementation Partners shall first meet and confer in good faith to resolve the dispute.

b. Mediation. If unresolved within thirty (30) days, the dispute shall be submitted to non-binding mediation before a mutually agreed mediator.

c. Reservation of Rights. If the dispute is not settled within thirty (30) days from the date of the end of mediation, any party may pursue any and all remedies available to them at law or in equity, including initiating litigation in a court of competent jurisdiction located in either Sacramento County or Placer County.

8. Withdrawal or Default. In the event that a RiverArc Implementation Partner elects to withdraw from this Agreement prior to termination, or fails to meet its financial obligations:

a. The withdrawing or defaulting RiverArc Implementation Partner shall remain responsible for its share of all costs incurred or committed under the Pritchard Lake Agreement unless and until such share is assumed by another entity.

b. If a Go Forward Notice has been issued prior to a RiverArc Implementation Partner's withdrawal, such withdrawing Partner shall remain obligated for its share of construction phase costs in accordance with the Pritchard Lake Agreement unless and until such obligation is formally assumed by another entity in a manner consistent with both this Agreement and the Pritchard Lake Agreement.

c. Assumption of a withdrawing Partner's responsibilities by another entity shall be permitted if: (i) one or both of the remaining RiverArc Implementation Partners agree to assume the withdrawing Partner's obligations; or (ii) the RiverArc Implementation Partners unanimously agree that another entity may enter into this Agreement and assume the withdrawing Partner's obligations. Such agreement shall not be unreasonably withheld.

d. Unless one of these conditions is met, the withdrawing Partner shall remain bound to its share of costs and responsibilities notwithstanding its withdrawal.

e. In the event that one of the termination or "offramp" conditions set forth in the Pritchard Lake Agreement is triggered, the RiverArc Implementation Partners shall remain obligated to cover their respective shares of all amounts owed to Water Company under the terms of the Pritchard

Lake Agreement. If fewer than all RiverArc Implementation Partners elect to remain in the Pritchard Lake Agreement, the remaining RiverArc Implementation Partners shall meet and confer in good faith to renegotiate the terms of this Agreement to reflect the revised participation structure.

9. Cost Control and Approvals. If projected costs are expected to exceed the estimated budget provided by Water Company by more than five percent (5%), Sacramento shall not authorize such expenditures without the unanimous approval of the RiverArc Implementation Partners, and, for construction phase costs, without issuance of the Go Forward Notice pursuant to the Pritchard Lake Agreement and approval of the construction phase budget reflected in the amendment to this Agreement.

10. Reporting. Sacramento, as Administrative Agency, shall provide the RiverArc Implementation Partners with the following:

- a. Quarterly billing statements with supporting documentation.
- b. An annual summary report of revenues, expenditures, outstanding commitments, and reconciled costs (if any).
- c. Status updates upon reasonable request.
- d. If a consultant is retained pursuant to Section 2(e), such consultant shall support Sacramento in preparing reports and reconciliations under this Section.

11. Amendments. This Agreement may be amended only by a written instrument executed by all then existing RiverArc Implementation Partners.

12. Assignment. This Agreement shall not be assigned by any RiverArc Implementation Partner except as expressly provided herein. This Agreement may be assumed by the JPA upon its formation, subject to formal action of the JPA governing board, at which time the JPA shall succeed to the rights and obligations of the RiverArc Implementation Partners under this Agreement.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Electronic signatures shall be deemed valid and binding.

16. Successors and Assigns. This Agreement shall be binding upon and benefit the successors and assigns of the RiverArc Implementation Partners.

17. Entire Agreement. This Agreement constitutes the entire agreement among the RiverArc Implementation Partners with respect to the subject matter herein and supersedes all prior oral or written understandings.

[Remainder of page left intentionally blank; signatures appear on following page]

IN WITNESS WHEREOF, the RiverArc Implementation Partners have executed this Agreement as of the day and year first written above.

CITY OF SACRAMENTO

By: _____

Assistant City Manager

For: Maraskeshia Smith, City Manager

Date: _____

Approved as to Form:

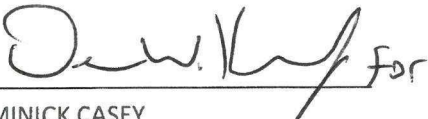
City Attorney

Attest:

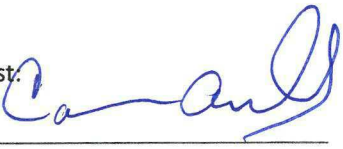
City Clerk


[Signatures Continue on Next Page]


CITY OF ROSEVILLE

By:  for
DOMINICK CASEY
City Manager

Date: 5/15/2026

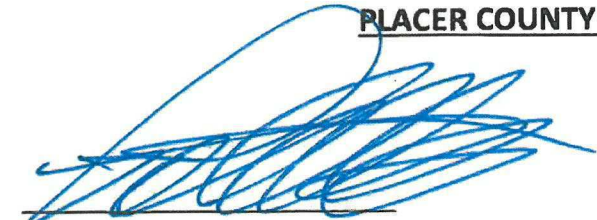
Attest: 
CARMEN AVALOS
City Clerk

Approved As To Form:

MICHELLE SHEIDENBERGER
City Attorney

Approved As To SUBSTANCE:

SEAN BIGLEY
Environmental Utilities Director

[Signatures Continue on Next Page]

PLACER COUNTY WATER AGENCY

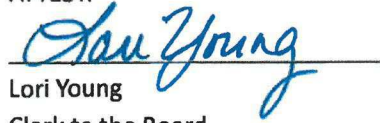


Robert Dugan, Chair of the Board
Placer County Water Agency

May 11, 2026

Date

ATTEST:



Lori Young
Clerk to the Board

ATTACHMENT A

Agreement for Cost Sharing for Third Pump at

Pritchard Lake Diversion Facility

[See attached]

AGREEMENT FOR COST SHARING

FOR THIRD PUMP AT PRITCHARD LAKE DIVERSION FACILITY

This Agreement for Cost Sharing For Third Pump At Pritchard Lake Diversion Facility (“**Agreement**”) is made and entered into on _____, 2026, by and between the Natomas Central Mutual Water Company, a California mutual benefit corporation (“**Water Company**”), and Placer County Water Agency (a public agency established pursuant to the laws of the State of California), City of Sacramento (a California municipal corporation), and City of Roseville (a California municipal corporation), collectively referred to as the “**RiverArc Implementation Partners**”. Water Company and RiverArc Implementation Partners may occasionally be collectively referred to herein as the “**Parties**” and each a “**Party**.”

RECITALS

WHEREAS, Water Company is currently involved in a multi-phase, levee improvement project (“**Levee Project**”) in coordination with Sacramento Area Flood Control Agency (“**SAFCA**”) and the US Army Corps of Engineers (“**USACE**”) that will result in improvements being made to the levees and related facilities around Water Company’s service area (including Water Company’s Pritchard Lake diversion facility, hereinafter the “**Pritchard Facility**”) to address ongoing erosion, freeboard deficiencies, and seepage and stability conditions.

WHEREAS, RiverArc Implementation Partners are implementing the RiverArc Project (“**Project**”). The Project is a multi-agency surface water supply project that will enhance regional water supply diversity and reliability. The intent of the Project is to reduce water supply diversions from the Lower American River by relocating some current and planned diversions to the Sacramento River, thereby increasing flows in the Lower American River to support the aquatic ecosystem including fall run Chinook salmon and federally endangered steelhead.

WHEREAS, Water Company has recently obtained funding guarantees from SAFCA with respect to the Levee Project that will be led by USACE and constructed separately from construction involving the Pritchard Facility that will include the Water Company adding a third 40 cubic feet per second (“**cfs**”) pump at the Pritchard Lake diversion intake facilities.

WHEREAS, both RiverArc Implementation Partners and Water Company recognize that the construction of larger capacity water facilities by RiverArc Implementation Partners would

provide cost savings for RiverArc Implementation Partners, and operational flexibility for the Water Company.

WHEREAS, as part of the Levee Project, the USACE has agreed to perform the following construction activities relative to the Pritchard Facility (collectively the “**USACE Improvements**”): (i) removal or abandonment of the existing discharge pipe that runs through the levee from the Pritchard Facility; (ii) reconstruction of the levee section and cutoff wall adjacent to the Pritchard Lake Diversion; (iii) installation of three (3) 36-inch discharge pipes up-and-over the levee, including closure valves and air release/anti-siphon valves, to connect the existing discharge piping from the pump station to the existing discharge piping on the landside of the levee; and (iv) installation of conduits and piping to facilitate future electrical controls and a vacuum/siphon system to be installed by Water Company.

WHEREAS, separate from the Levee Project, Water Company intends to make the following improvements to the Pritchard Facility (“**Water Company Improvements**”): (i) installing a third, 40-cfs pump into what is currently an empty pump can with fish screen assembly previously installed at the Pritchard Lake intake facilities; (ii) installation of electrical and controls equipment associated with the addition of the third pump; and (iii) following completion of the USACE Improvements by USACE, installation of a vacuum/siphon system and additional controls wiring. The Water Company Improvements are further specified on Attachment 1 hereto.

WHEREAS, RiverArc Implementation Partners desire to utilize the Pritchard Facility for water delivery purposes (which scope and right of use is detailed in that certain Agreement for Joint Use and Maintenance of Pritchard Lake Diversion Facility (“**Joint Use Agreement**”)) and also desire to increase the capacity of the Pritchard Lake Diversion Facility’s third pump and associated facilities thereof from 40 cfs to 60 cfs (“**RiverArc Upgrades**”). RiverArc Implementation Partners will pay for the RiverArc Upgrades in accordance with the terms and conditions set forth in this Agreement. The RiverArc Upgrades are further specified on Attachment 2 hereto.

WHEREAS, the Joint Use Agreement is still being developed and it is the present intention of the Parties to continue to negotiate the terms of the Joint Use Agreement, and, if agreed upon, enter into said agreement (and nothing herein shall obligate any Party to agree upon or otherwise enter into the Joint Use Agreement). RiverArc Implementation Partners desire access to the Pritchard Lake Diversion Facility’s third pump and associated facilities for inspection during construction, start-up, testing, and throughout the warranty period in accordance with the terms

and conditions set forth in this Agreement. RiverArc Implementation Partners agree to coordinate inspections with Water Company with at least two (2) days' notice.

NOW THEREFORE, for good and valuable consideration and the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. Water Company's Obligations.

A. Water Company agrees to perform or provide for the following services in furtherance of the Project:

i. Pay for the costs of design, bidding, oversight, inspection, environmental compliance, and construction of the Water Company Improvements; provided, however, that the "Water Company Improvements", as defined in this Agreement shall be deemed to exclude the RiverArc Upgrades and any other improvement(s) that is/are required solely as a consequence of the upgrading of the third pump and related facilities at the Pritchard Facility from one capable of delivering 40 cubic feet per second ("cfs") of water to one capable of delivering 60 cfs of water, and provided further, that the Parties acknowledge and agree that any environmental clearance required to be done or obtained by Water Company with respect to the Water Company Improvements has already been obtained, performed and paid for. Water Company has confirmed that environmental clearance for the Water Company Improvements also includes the scope of the RiverArc Upgrades but does not cover any approvals required for the Project that is not covered under this Agreement.

ii. Water Company will contract (subject to RiverArc Implementation Partners' cost-sharing obligations hereunder) for the design, bidding, environmental clearance, construction, and construction management/oversight of all the Water Company Improvements and RiverArc Upgrades.

iii. Water Company shall have no obligation to proceed with construction of or contracting for the RiverArc Upgrades until the RiverArc Implementation Partners have provided their Go Forward Notice (as hereinafter defined).

2. RiverArc Implementation Partners' Obligations.

A. RiverArc Implementation Partners shall contribute to the design costs associated with the RiverArc Upgrades by paying Water Company for the additional design costs required for the design of those upgrades, in an amount not to exceed Six Hundred Thousand

Dollars (\$600,000), while Water Company shall remain responsible for the design, bidding, and environmental clearance activities related to the Water Company Improvements. To the extent reasonably possible, Water Company shall have their designer create a separate line item to account for design costs associated with the RiverArc Upgrades. The parties shall cooperate on the allocation of the design costs associated with the RiverArc Upgrades.

B. Invoices from Water Company to RiverArc Implementation Partners with respect to amounts owed by the RiverArc Implementation Partners under this Agreement shall be presented to RiverArc Implementation Partners after Water Company's receipt of invoices from Water Company's consultants or contractors (as applicable) relating to the RiverArc Upgrades. RiverArc Implementation Partners shall pay to Water Company within forty-five (45) days of receipt of an invoice from Water Company, those costs and expenses incurred by Water Company with respect to the RiverArc Upgrades for which the RiverArc Implementation Partners are obligated to pay or reimburse Water Company for under this Agreement and are invoiced to RiverArc Implementation Partners in accordance with the terms of this Agreement.

C. RiverArc Implementation Partners and Water Company acknowledge that construction of the RiverArc Upgrades will not proceed unless and until the RiverArc Implementation Partners provide written authorization to the Water Company to proceed ("**Go Forward Notice**"), following approval by their respective governing bodies of the construction-phase costs and expenses. The RiverArc Implementation Partners shall have no obligation to provide any Go Forward Notice. The RiverArc Implementation Partners shall have no obligation to fund the construction of the RiverArc Upgrades until the Go Forward Notice has been provided by the RiverArc Implementation Partners. The Go Forward Notice shall include confirmation of receipt from the RiverArc Implementation Partners of their applicable governing bodies approval of funding an aggregate amount sufficient to cover both the Engineer's Estimate for the RiverArc Upgrades and a contingency (which such contingency amount shall be mutually agreeable to RiverArc Implementation Partners and Water Company) for anticipated change orders and unforeseen field conditions, provided, however, that such authorized amount shall not limit RiverArc Implementation Partners obligations to pay for the full amount of the RiverArc Upgrades in accordance with the terms of this Agreement. Water Company shall provide RiverArc Implementation Partners with the Engineer's Estimate of the total costs for the RiverArc Upgrades promptly after Water Company's receipt of the same from its engineer, but no later than ninety (90) days prior to the Water Company Improvements and RiverArc Upgrades being posted for

public bidding. Should the RiverArc Implementation Partners elect to proceed with the Go Forward Notice, such notice shall be provided by the RiverArc Implementation Partners to Water Company within eighty (80) days of receipt of the Engineer's Estimate. Upon providing the Go Forward Notice, the RiverArc Implementation Partners shall be irrevocably (subject to any applicable termination rights under Section 2.F. below) obligated to pay for the costs of all construction, construction management, and all other related costs for the RiverArc Upgrades, including, without limitation, each of the following:

- i. All costs associated with upsizing the third pump from a 40 cfs pump to a 60 cfs pump;
- ii. All costs associated with upsizing the discharge pipe on the intake facility from one capable of intaking 40 cfs to one capable of intaking 60 cfs (if deemed necessary), exclusive of the three (3) new 36-inch pipes over the levee which is already included in the USACE Improvements;
- iii. All costs associated with the upsizing of electrical controls and equipment (including, but not limited to, electrical panels and variable frequency drives) from controls and equipment sufficient to operate a 40 cfs pump to controls and equipment sufficient to operate a 60 cfs pump; and
- iv. All costs associated with any pump can upgrades that may be required to fit the larger/higher volume pump (including any new pump can that might be required to fit the larger 60 cfs pump) or any additional design elements desired by RiverArc Implementation Partners that are not included in Water Company's original scope of work (example may include the inclusion of a variable frequency drive).

D. Invoices to be provided by Water Company to RiverArc Implementation Partners under Section 2(B) above shall be delivered to RiverArc Implementation Partners in accordance with the notice provision provided in Section 7 of this Agreement and shall contain an itemized description for each cost that is being passed on from Water Company to RiverArc Implementation Partners. Should RiverArc Implementation Partners disagree with the invoiced costs, disputes shall be addressed pursuant to Section 11 of this Agreement.

E. In the event that RiverArc Implementation Partners do not timely provide the Go Forward Notice, then this Agreement shall terminate and no Party shall have any further rights or obligations under this Agreement; provided, however, that any termination by RiverArc

Implementation Partners shall not relieve it of its obligation to make any payments to Water Company that had already accrued prior to such termination.

F. If RiverArc Implementation Partners timely provide the Go Forward Notice, Water Company agrees to include the RiverArc Upgrades as a separate bid alternate item in the public bid documents so that the costs of the RiverArc Upgrades in any award for the work can be readily ascertained. Upon determination of the actual costs of the RiverArc Upgrades (as determined through the public bid alternate process), RiverArc Implementation Partners may terminate this Agreement within ten (10) days of receipt of the final bid results, or such other time the parties may agree upon, but in no event later than five (5) days prior to the construction bid expiration, by providing written notice to Water Company of RiverArc Implementation Partners' election to terminate this Agreement. In the event of termination of this Agreement by RiverArc Implementation Partners in accordance with this Section 2(F), Water Company shall have no obligation to contract to construct the RiverArc Upgrades. In the event that the RiverArc Implementation Partners have not elected to terminate this Agreement, and a bid for the RiverArc Upgrades is accepted, then Water Company and RiverArc Implementation Partners shall coordinate regularly regarding the timing of milestone activities and decisions.

G. If RiverArc Implementation Partners and Water Company have not successfully executed the Joint Use Agreement, RiverArc Implementation Partners shall have the right to terminate this Agreement, provided that: (i) any expenses incurred by Water Company related to the RiverArc Upgrades and any re-design expenses incurred, or to be incurred, by Water Company due to RiverArc Implementation Partners termination of this Agreement (excluding any expenses which Water Company would have incurred in relation to the Water Company Improvements regardless of the RiverArc Upgrades) shall be reimbursed or paid (as applicable) in full by the RiverArc Implementation Partners to Water Company; and (ii) Water Company has not then entered into a contract to construct any of the RiverArc Upgrades (or any portion thereof). RiverArc Implementation Partners may, at their own risk, elect to continue with the design and/or construction of the RiverArc Upgrades prior to execution of the Joint Use Agreement with no assurances that the Joint Use Agreement will be approved by Water Company. RiverArc Implementation Partners' obligations under this Section 2(G) shall survive the termination of this Agreement.

H. If RiverArc Implementation Partners are unsuccessful in securing the Pritchard Facility as a Central Valley Project (CVP) intake, in accordance with the Bureau of

Reclamation and/or State Water Resources Control Board requirements, RiverArc Implementation Partners shall have the right to terminate this Agreement, provided that: (i) any expenses incurred by Water Company related to the RiverArc Upgrades and any re-design expenses incurred, or to be incurred, by Water Company due to RiverArc Implementation Partners' termination of this Agreement (excluding any expenses that Water Company would have incurred in connection with Water Company Improvements regardless of the RiverArc Upgrades) shall be reimbursed or paid (as applicable) in full by the RiverArc Implementation Partners to Water Company; and (ii) Water Company has not then entered into a contract to construct any of the RiverArc Upgrades (or any portion thereof). RiverArc Implementation Partners may, at their own risk, elect to continue with the design and/or construction of the RiverArc Upgrades prior to receiving notice of a Pritchard Facility CVP designation. RiverArc Implementation Partners' obligations under this Section 2(H) shall survive the termination of this Agreement.

I. In the event that RiverArc Implementation Partners terminate this Agreement in accordance with Section 2(E), Section 2(F), Section 2(G), or Section 2(H), then this Agreement shall terminate, and no Party shall have any further rights or obligations under this Agreement; provided, however, that any termination by RiverArc Implementation Partners shall not relieve it of: (i) its obligation to make any payments or reimbursements to Water Company required hereunder that had already accrued prior to such termination or are otherwise owed as a result of RiverArc Implementation Partners' termination of this Agreement; or (ii) any other obligations of RiverArc Implementation Partners which expressly survive termination of this Agreement.

J. Nothing in this Agreement obligates Water Company to proceed with the design of the RiverArc Upgrades, obtaining the Engineer's Estimate, or sending out the RiverArc Upgrades to bid, within any specific time frame or by any specific date, it being understood and agreed that while Water Company agrees to consult with RiverArc Implementation Partners with respect to such timing, the timing of each of the foregoing shall be determined by Water Company in its sole and absolute discretion.

3. Term of Agreement. This Agreement shall remain in effect until the completion of the RiverArc Upgrades and Water Company Improvements and all payments under Section 2 have been made by RiverArc Implementation Partners, or the termination of this Agreement by RiverArc Implementation Partners in accordance with Section 2(E), Section 2(G), or Section 2(H) hereof, whichever occurs first. Any provisions of this Agreement intended to be performed after

the expiration of such term shall survive and not be affected by the expiration of such term. Additionally, any payment obligations accruing prior to termination of this Agreement, or accruing as a result of the termination of this Agreement, shall survive the termination or expiration of this Agreement. In the event that the RiverArc Project does not occur, Water Company may pay RiverArc Implementation Partners the reasonable market value of the RiverArc Upgrades to improve its operational flexibility, work with RiverArc Implementation Partners to recoup RiverArc Implementation Partners' costs for the RiverArc Upgrades to the extent possible, or pursue other options mutually agreeable to the Parties, in each case, at Water Company's election in its sole and absolute discretion. Water Company shall have no obligation to pay RiverArc Implementation Partners for any RiverArc Upgrades unless agreed to by Water Company (in its sole and absolute discretion) in a subsequent written agreement executed by Water Company.

4. No Representations or Warranties by Water Company. Water Company makes no representations or warranties of any kind to RiverArc Implementation Partners except to the extent of any representations or warranties expressly set forth in this Agreement. Without limitation of the foregoing, Water Company makes no representation or warranty with respect to either: (i) the timing of completion of the RiverArc Upgrades, USACE Improvements or Water Company Improvements; (ii) whether any further environmental review or reports are needed to be performed or generated in connection with the Project, and RiverArc Implementation Partners hereby assumes the risk and costs thereof; or (iii) as to whether any third-party approvals (such as SAFCA or USACE) are necessary with respect to the Project (including, without limitation, with respect to the RiverArc Upgrades, except as otherwise expressly provided for in this Agreement), and RiverArc Implementation Partners hereby assumes the risk thereof and shall be responsible for obtaining the same at RiverArc Implementation Partners' sole cost and expense. To the extent any such approvals are necessary, RiverArc Implementation Partners and Water Company agree to reasonably cooperate with each other to obtain such approvals (provided, however, that such cooperation shall not be at any material expense to Water Company).

5. RiverArc Implementation Partners Participation in Design Process.

A. RiverArc Implementation Partners shall have the right and opportunity during the design process to: (i) review and comment on (and, with respect to the RiverArc Upgrades, also approve of the design of the Water Company Improvements and RiverArc Upgrades to the extent it impacts RiverArc Implementation Partners' ability to utilize the third pump located at the Pritchard Facility, which such review shall occur at each key milestone in this phase of the

Levee Project (30%, 70% and 100% completion, or similar milestones as the Water Company engineer has planned); and (ii) review of bids and apparent low bidder in relation to the RiverArc Upgrades.

B. Both the preliminary design and the final design of the RiverArc Upgrades must be approved in writing by the RiverArc Representative (as identified in Section 7 of this Agreement). If either, or both, the preliminary design or final design is not approved by the RiverArc Implementation Partners, the RiverArc Representative will notify Water Company in writing of the reason or reasons why such design is not acceptable, and Water Company and the RiverArc Representative shall thereafter meet and confer for a period not to exceed ten (10) days, in an effort to try and determine if revisions may be made that are acceptable to the Parties. During this ten (10) day period, the Parties shall each use commercially reasonable efforts to have a representative of each of Water Company and the RiverArc Representative either meet and confer in person or via telephone. In the event that, notwithstanding such meet and confer efforts, the Parties are still unable to agree on any design (or any aspect thereof), then, within ten (10) days of the conclusion of such meet and confer period, RiverArc Implementation Partners shall elect one (1) of the following three (3) options (which election shall be made by way of written notice from the RiverArc Representative to Water Company): (1) dispense with the construction of the RiverArc Upgrades that the Parties are unable to agree on the design for, in which case such River Arc Upgrades shall no longer be a part of the RiverArc Upgrades and Water Company shall have no obligations, responsibilities or duties with respect thereto; (2) terminate this Agreement; provided, however, that in the event of such termination, RiverArc Implementation Partners shall pay to Water Company any expenses already incurred by Water Company (and that the RiverArc Implementation Partners would have been obligated to reimburse Water Company for under this Agreement had the termination never occurred) or that Water Company has already contracted with respect to (provided that Water Company cannot then cancel such contract, or, as applicable, portion thereof, without any liability, payment or penalty of any kind); or (3) agree to proceed with the design of such RiverArc Upgrades as may be agreeable to Water Company. In the event that the RiverArc Representative fails to timely provide the election notice contemplated by the preceding sentence, then RiverArc Implementation Partners shall be deemed to have elected to proceed under option (2). Any approval required by (or of) the RiverArc Implementation Partners under this Section 5(B). shall not be unreasonably withheld, conditioned or delayed, and any review, comment

or approval by (or of) the RiverArc Implementation Partners shall be at the RiverArc Implementation Partners' own cost and expense.

C. Any comment or approval (or disapproval) by RiverArc Implementation Partners required or permitted under Section 5(B) shall be delivered by RiverArc Representative to Water Company in writing within the following time frames (as applicable): with respect to any design submittal, within four (4) weeks of receipt by the RiverArc Representative of the proposed design.

D. RiverArc Implementation Partners shall have the right to request (prior to the RiverArc Upgrades going out to the public bidding process) any further upgrades that may be necessary to increase the capacity of the third pump and related facilities at the Prichard Facility from one capable of delivering 40 cfs of water to one capable of delivering 60 cfs, provided that the costs of any such upgrades shall be borne solely by RiverArc Implementation Partners and RiverArc Implementation Partners shall be solely responsible for obtaining all third-party approvals and environmental clearances (in each case, to the extent such approvals and clearances have not already been obtained in connection with the Water Company Improvements and RiverArc Upgrades). Water Company will keep RiverArc Implementation Partners reasonably apprised of the timeline for completion of the USACE Improvements, the Water Company Improvements and RiverArc Upgrades, including estimated times of completion for key milestones, any delays, and any change orders (to the extent such change order concerns the RiverArc Upgrades).

6. RiverArc Implementation Partners Participation in Construction Process.

A. RiverArc Implementation Partners shall have the right and opportunity during the construction process to: (i) participate in the review of equipment and shop drawing submittals, change order requests (and with respect to any change orders that specifically pertain to the RiverArc Upgrades, approve such change orders), and inspection of the construction related to the RiverArc Upgrades; and (ii) review and approve contractor progress payments and final payment in relation to the RiverArc Upgrades.

B. Any comment or approval (or disapproval) by RiverArc Implementation Partners required or permitted under Section 6(A) shall be delivered by RiverArc Representative to Water Company in writing within the following time frames (as applicable): (i) with respect to any construction submittal (including, without limitation, bids, contracts and change orders), within three (3) weeks of receipt by the RiverArc Representative of the applicable construction submittal; and (ii) with respect to any payment or request for information, within ten (10) days of the RiverArc

Representative's receipt of the proposed payment or request for information (as applicable). Notwithstanding the foregoing, any review, comment or approval periods may be shortened (upon notice by Water Company to the RiverArc Representative) to the extent necessary to avoid adverse delays to any construction work to be performed or payments to be made on the Water Company Improvements. RiverArc Implementation Partners and Water Company shall reasonably cooperate and communicate with each other (at no material cost to Water Company, or, RiverArc Implementation Partners shall reimburse Water Company for any material costs caused by RiverArc Implementation Partners' comments) to ensure that the intent of this Section 6 is carried out. Any disputes between the Parties in implementing or coordinating this process shall be addressed through the dispute resolution process set forth in Section 11.

C. Section 6 shall not apply if the RiverArc Implementation Partners have either (i) elected to not provide the Go Forward Notice or (ii) have otherwise elected to terminate this Agreement in accordance with its terms.

7. Communication Protocols. RiverArc Implementation Partners may directly communicate with the Water Company's design consultants, construction management team, and construction contractors on issues related to the RiverArc Upgrades. RiverArc Implementation Partners shall include Water Company designated staff in any such communications and such communications shall not consist of direction, control, or supervision of such third parties, which rights are reserved to Water Company in Section 8(A).

8. Notices. Any notices, invoices, payments and other communications under this Agreement shall be given by delivering the same in writing to the Parties at the addresses below:

To Water Company:

Brett Gray, General Manager
Natomas Central Mutual Water Company
2601 West Elkhorn Blvd.
Rio Linda, CA 95673
Phone: 916-419-5936
Email: bgray@natomaswater.com

To RiverArc Implementation Partners, c/o Placer County Water Agency
("RiverArc Representative"):

Jeremy Shepard, Director of Technical Services
Placer County Water Agency
144 Ferguson Road
P.O Box 6570

Auburn, CA 95604
Phone: 530-823-2066
Email: jsheward@pcwa.net

A Party may change the designation indicated above by written notice to the other Parties in accordance with this Section 7. Any notice sent by email shall be deemed to be given and received on the date of the email, provided that a copy of such notice is also sent by U.S., mail, federal express, or by other similar means.

9. No Employment or Joint Venture Relationship.

A. It is understood and agreed that Water Company, including any consultants or contractors retained by Water Company, and RiverArc Implementation Partners, including any consultants or contractors retained by RiverArc Implementation Partners, are not joint ventures or partners of each other and that no relationship of employer-employee, partnership, or joint venture exists between the Parties.

B. If, in the performance of this Agreement, any third parties are employed or contracted by Water Company, such persons shall be entirely and exclusively under the direction, supervision, and control of Water Company. All terms of employment and contracting, including hours, wages, working conditions, discipline, hiring and discharging, or any other terms of employment or requirements of law, shall be determined by Water Company.

10. Indemnification and Limitation of Liability.

A. Water Company, by execution of this Agreement, specifically agrees to hold harmless, defend and indemnify RiverArc Implementation Partners, their respective governing boards, officials, officers, agents and employees from and against any and all actions, claims, loss, liability, damage and expense (including reasonable attorney's fees), but only to the extent caused by any grossly negligent or willful act or omission of Water Company or any of its officers or employees in connection with performance of Water Company's obligations under this Agreement.

B. RiverArc Implementation Partners, by execution of this Agreement, specifically agrees to hold harmless, defend and indemnify the Water Company, its officials, officers, agents and employees from and against any and all actions, claims, loss, liability, damage and expense (including reasonable attorney fees), but only to the extent caused by any grossly negligent or willful act or omission of RiverArc Implementation Partners, its officers or employees in connection with performance of RiverArc Implementation Partners' obligations under this Agreement.

C. RiverArc Implementation Partners acknowledge and agree that it has the ability to participate in the design and potential future construction of the improvements and as such, Water Company shall not have any liability to RiverArc Implementation Partners for the design or construction of any of the improvements contemplated by this Agreement (including the USACE Improvements, Water Company Improvements and RiverArc Upgrades) except for any obligations of Water Company expressly contained in this Agreement. Water Company shall, however, upon the discovery of either design errors or construction defects in the RiverArc Upgrades, either (which election of one of the two options listed below, shall be made in Water Company's sole and absolute discretion): 1) diligently exercise its contractual rights to remedy any design errors or construction defects caused by Water Company's consultants and construction contractors in the course of designing or constructing the RiverArc Upgrades; or 2) promptly assign (on a non-exclusive basis) its legal rights to remedy these errors and defects to RiverArc Implementation Partners.

11. Insurance By Contractors for the Water Company Improvements and RiverArc Upgrades. Water Company shall require that any contractor designing or installing the third pump at the Pritchard Facility obtain and maintain commercially reasonable general liability insurance (in an amount no less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate) covering any errors or omissions in relation to the design and personal injury and property damage (in each case, to the extent obtainable) in relation to construction of the Water Company Improvements and RiverArc Upgrades which insurance shall name Water Company and RiverArc Implementation Partners as additional insureds. In addition, in any of Water Company's agreements that Water Company hereafter enters into with any consultants and contractors performing any aspect of the design or construction for the RiverArc Upgrades shall require such consultants (in accordance with California Civil Code Section 2782.8) and contractors to agree to hold harmless, defend, and indemnify the RiverArc Implementation Partners and their respective governing boards, officers, agents, and employees, and name the RiverArc Implementation Partners and their respective officers, agents, and employees as additional insureds, to the same extent that such agreements require this for Water Company for its officers, agents and employees.

12. Disputes.

A. If a dispute arises concerning any controversy or claim arising out of or relating to this Agreement or the breach thereof, or relating to its application or interpretation, the

aggrieved Party will notify the other Party of the dispute in writing within twenty (20) days after such dispute arises. If the Parties fail to resolve the dispute within thirty (30) days after delivery of such notice, each Party will promptly nominate an officer of its organization to meet at any mutually-agreed time and location to attempt to resolve the dispute. The Parties shall attempt in good faith to reach a just and equitable solution satisfactory to both Parties (provided, however, that nothing in this sentence shall obligate any Party from agreeing to any solution or settlement). Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days thereafter, the dispute will be subject to mediation, pursuant to subsection B, below. The time periods set forth in this Section 11 are subject to extension as agreed to by the Parties.

B. If a dispute is not resolved pursuant to subsection A, above, the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation initiated and conducted under the applicable rules of the American Arbitration Association before having recourse in a court of law. Each Party shall bear their own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including, without limitation, any materials prepared or submitted or any positions taken by or on behalf of either Party, shall be inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by both Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. The mediation shall be completed within sixty (60) days after selection of the mediator, unless the Parties agree to extend the mediation period. In the event the Parties are not able to resolve the dispute at the mediation, then either Party shall be free to pursue the dispute in a court having jurisdiction thereof. Notwithstanding anything to the contrary in this Section 11, any Party may, at any time (and without first having complied with the procedures required under this Section 11), file an action in court having jurisdiction thereof in order to procure temporary injunctive relief or any other provisional remedy.

13. Amendments. Modifications or amendments to the terms of this Agreement shall be in writing and executed by both Parties.

14. Successors and Waivers. This Agreement shall bind the successors and assigns of RiverArc Implementation Partners and Water Company in the same manner as if they were expressly named. Waiver by any Party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right under this Agreement.

15. Parties to Agreement. Water Company and the RiverArc Implementation Partners are the only parties to this Agreement. The RiverArc Implementation Partners will consult with Project partners and represent their input and interests in this Agreement. RiverArc Implementation Partners intend to assign their rights and obligations under this Agreement to a joint powers agency, consisting of the RiverArc Implementation Partners, that will be established to implement and operate RiverArc facilities. Such assignment will not require Water Company approval; however, written notice is required consistent with Section 7. Except as provided above, this Agreement may not be assigned, in whole or in part, to any other entity without the prior written consent of Water Company, which may be withheld by Water Company in its sole and absolute discretion. No assignment shall relieve any Party of: (i) its obligations and liabilities accruing prior to the assignment; or (ii) contingent indemnity obligations with respect to acts, events or omissions occurring prior to the assignment. Any assignee shall, as a condition of such assignment, execute a document agreeing to be bound by all terms and provisions of this Agreement.

16. Entire Agreement. This Agreement constitutes the entire agreement between the RiverArc Implementation Partners and Water Company concerning the subject matter of this Agreement and supersedes whatever oral or written understanding the Parties may have had prior to the execution of this Agreement regarding the subject matter of this Agreement. The Joint Use Agreement is a collateral agreement between the Parties and is not superseded by this Agreement.

17. Governing Law. This Agreement shall be governed and construed by the laws of the State of California.

18. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the provision, covenant or condition determined to be invalid, void or unenforceable does not materially alter the essential terms of this Agreement.

19. Counterparts. This Agreement may be executed in multiple counterparts and shall be deemed executed when signed by the authorized representatives of both parties. This Agreement may be delivered and executed electronically, and electronic signatures (e.g., DocuSign), shall constitute original signatures for all purposes and shall be legally binding.

*[Remainder of page left intentionally blank;
signatures appear on the following page]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

PLACER COUNTY WATER AGENCY

Robert Dugan, Chair of the Board
Placer County Water Agency

Date

ATTEST:

Lori Young
Clerk to the Board

[Signatures Continue on Next Page]

CITY OF SACRAMENTO:

By: _____

Date: _____

Assistant City Manager

For: Maraskeshia Smith, City Manager

Approved as to Form:

City Attorney

Attest:

City Clerk

[Signatures Continue on Next Page]

CITY OF ROSEVILLE

By: _____
DOMINICK CASEY
City Manager

Date: _____

Attest:

By: _____
CARMEN AVALOS
City Clerk

Approved As To Form:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

Approved As To Substance:

By: _____
SEAN BIGLEY
Environmental Utilities Director

NATOMAS CENTRAL MUTUAL WATER COMPANY

By: _____ Date _____
BRETT GRAY
General Manager

Attest:

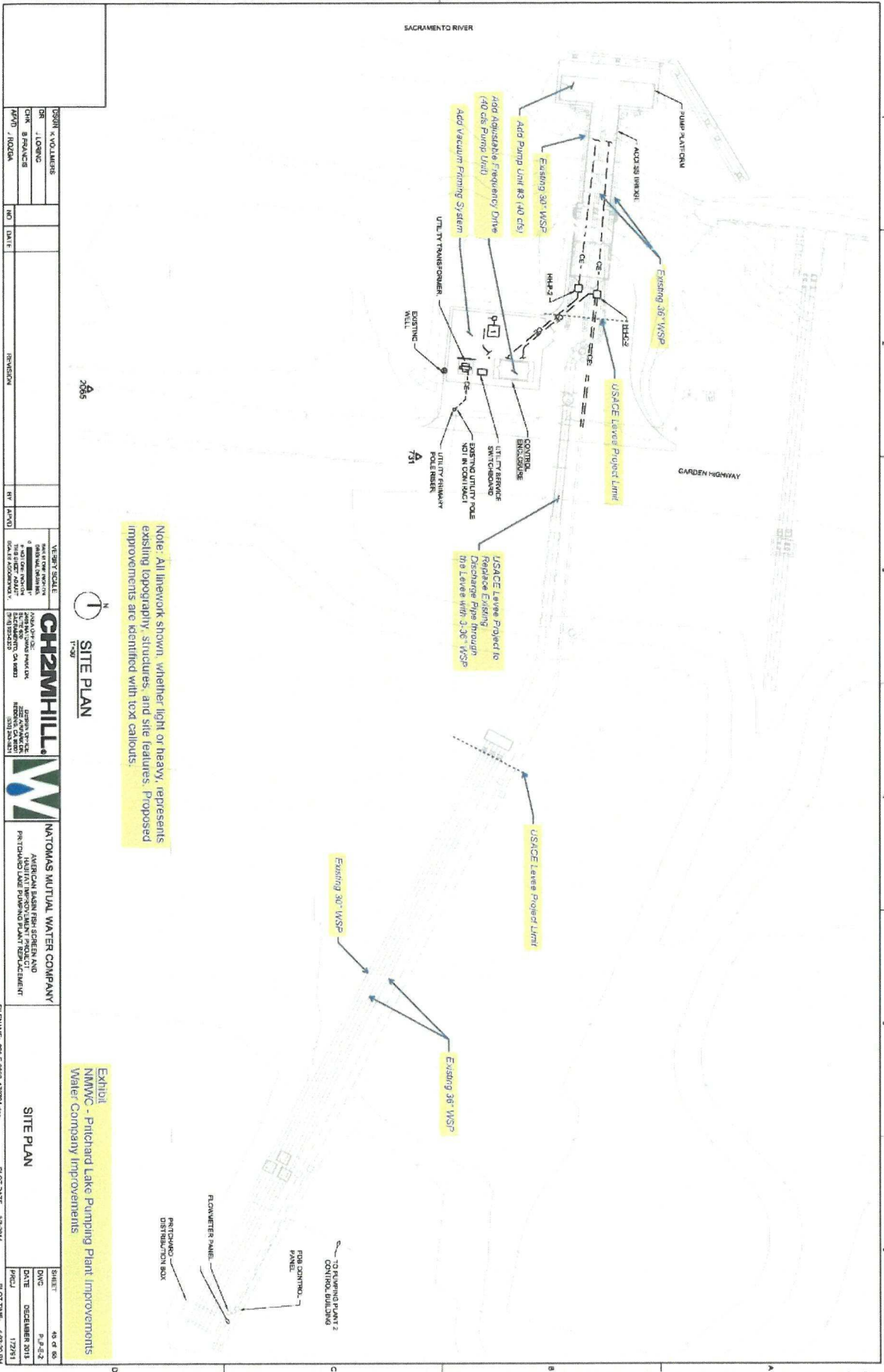
Name _____
Title _____

For Consideration Only

ATTACHMENT 1

Water Company Improvements

[See attached]



Note: All linework shown, whether light or heavy, represents existing topography, structures, and site features. Proposed improvements are identified with text callouts.

SITE PLAN

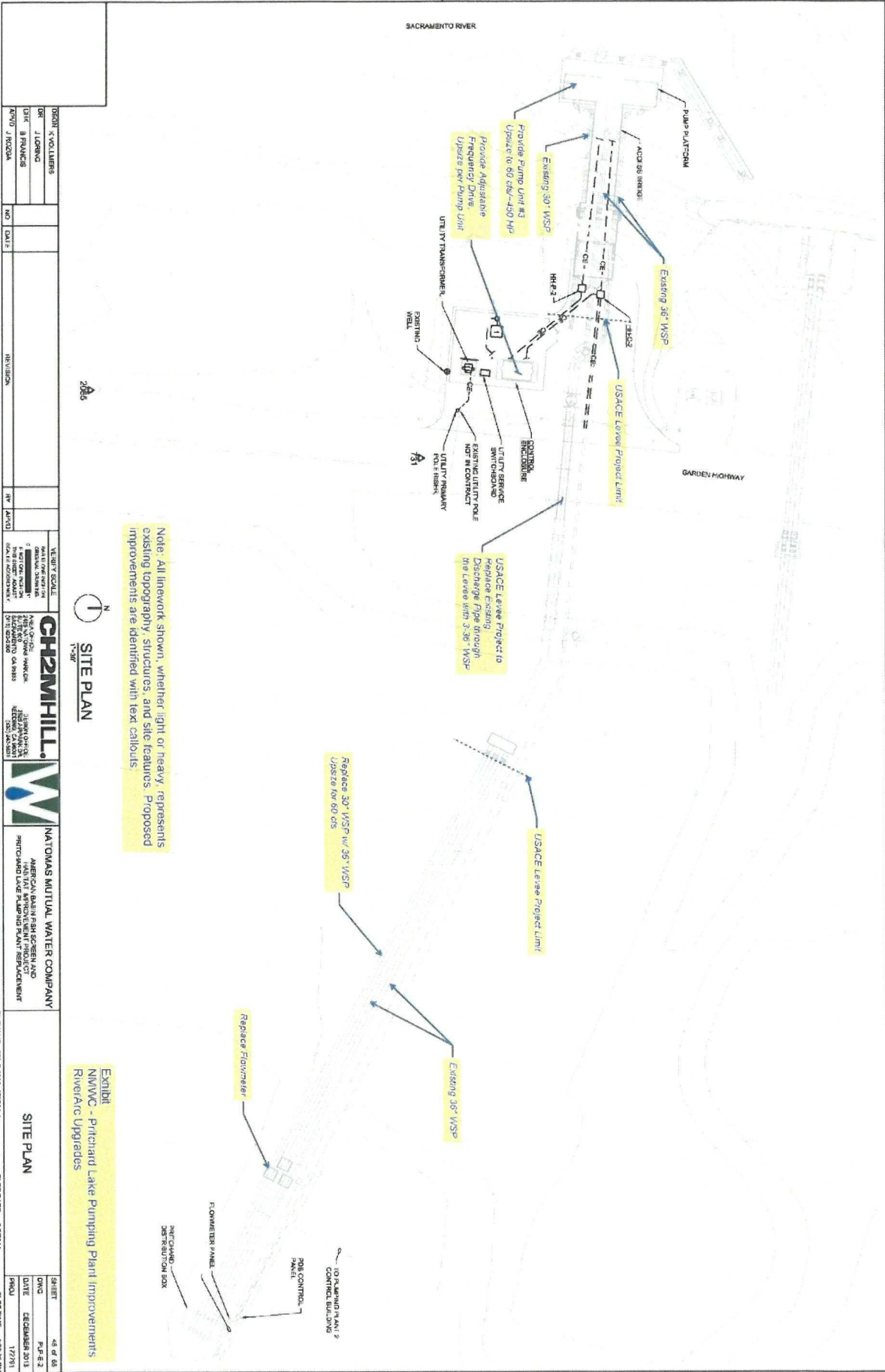
DESIGNER K. VOLLMERS	DATE 1/2013	PROJECT PITCHMAN LAKE PUMP AND TREATMENT PLANT IMPROVEMENTS	SCALE AS SHOWN	CLIENT NATOMAS MUTUAL WATER COMPANY	SHEET NO. 46 OF 60
DRN J. LOVING	NO. 1 DATE	REGION	WEST SCALE	PROJECT NO. 17291	DATE P. 2-2-2
CHK S. FRANCE			CH2M HILL	PROJECT NAME PITCHMAN LAKE PUMP AND TREATMENT PLANT IMPROVEMENTS	DATE DECEMBER 2013
APPV J. ROZMA			NATOMAS MUTUAL WATER COMPANY	PROJECT NO. 17291	DATE 1/2013

Exhibit
NMMC - Pritchard Lake Pumping Plant Improvements
Water Company Improvements

ATTACHMENT 2

RiverArc Upgrades

[See attached]



Note: All linework shown, whether light or heavy, represents existing topography, structures, and site features. Proposed improvements are identified with text callouts.

SITE PLAN

Exhibit
 NIMWC - Pritchard Lake Pumping Plant Improvements
 RiverAic Upgrades

DESIGN COLLABORERS DR: J. LOMB DR: B. RAVENS DR: J. WOOD		NO. DATE REV: 01/11/13		REVISION REV: 01/11/13		NO. DATE REV: 01/11/13	
VEHICLE SCALE 1" = 40'		VEHICLE SCALE 1" = 40'		VEHICLE SCALE 1" = 40'		VEHICLE SCALE 1" = 40'	
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SITE PLAN PROJECT: Pritchard Lake Pumping Plant Replacement		SITE PLAN PROJECT: Pritchard Lake Pumping Plant Replacement		SITE PLAN PROJECT: Pritchard Lake Pumping Plant Replacement		SITE PLAN PROJECT: Pritchard Lake Pumping Plant Replacement	
SHEET: 48 OF 88 DWG: P-P-8-2 DATE: DECEMBER 2013 PROJ: 127291		SHEET: 48 OF 88 DWG: P-P-8-2 DATE: DECEMBER 2013 PROJ: 127291		SHEET: 48 OF 88 DWG: P-P-8-2 DATE: DECEMBER 2013 PROJ: 127291		SHEET: 48 OF 88 DWG: P-P-8-2 DATE: DECEMBER 2013 PROJ: 127291	

AGREEMENT FOR COST SHARING

FOR THIRD PUMP AT PRITCHARD LAKE DIVERSION FACILITY

This Agreement for Cost Sharing For Third Pump At Pritchard Lake Diversion Facility (“**Agreement**”) is made and entered into on May 20, 2026, by and between the Natomas Central Mutual Water Company, a California mutual benefit corporation (“**Water Company**”), and Placer County Water Agency (a public agency established pursuant to the laws of the State of California), City of Sacramento (a California municipal corporation), and City of Roseville (a California municipal corporation), collectively referred to as the “**RiverArc Implementation Partners**”. Water Company and RiverArc Implementation Partners may occasionally be collectively referred to herein as the “**Parties**” and each a “**Party**.”

RECITALS

WHEREAS, Water Company is currently involved in a multi-phase, levee improvement project (“**Levee Project**”) in coordination with Sacramento Area Flood Control Agency (“**SAFCA**”) and the US Army Corps of Engineers (“**USACE**”) that will result in improvements being made to the levees and related facilities around Water Company’s service area (including Water Company’s Pritchard Lake diversion facility, hereinafter the “**Pritchard Facility**”) to address ongoing erosion, freeboard deficiencies, and seepage and stability conditions.

WHEREAS, RiverArc Implementation Partners are implementing the RiverArc Project (“**Project**”). The Project is a multi-agency surface water supply project that will enhance regional water supply diversity and reliability. The intent of the Project is to reduce water supply diversions from the Lower American River by relocating some current and planned diversions to the Sacramento River, thereby increasing flows in the Lower American River to support the aquatic ecosystem including fall run Chinook salmon and federally endangered steelhead.

WHEREAS, Water Company has recently obtained funding guarantees from SAFCA with respect to the Levee Project that will be led by USACE and constructed separately from construction involving the Pritchard Facility that will include the Water Company adding a third 40 cubic feet per second (“**cfs**”) pump at the Pritchard Lake diversion intake facilities.

WHEREAS, both RiverArc Implementation Partners and Water Company recognize that the construction of larger capacity water facilities by RiverArc Implementation Partners would

provide cost savings for RiverArc Implementation Partners, and operational flexibility for the Water Company.

WHEREAS, as part of the Levee Project, the USACE has agreed to perform the following construction activities relative to the Pritchard Facility (collectively the “**USACE Improvements**”): (i) removal or abandonment of the existing discharge pipe that runs through the levee from the Pritchard Facility; (ii) reconstruction of the levee section and cutoff wall adjacent to the Pritchard Lake Diversion; (iii) installation of three (3) 36-inch discharge pipes up-and-over the levee, including closure valves and air release/anti-siphon valves, to connect the existing discharge piping from the pump station to the existing discharge piping on the landside of the levee; and (iv) installation of conduits and piping to facilitate future electrical controls and a vacuum/siphon system to be installed by Water Company.

WHEREAS, separate from the Levee Project, Water Company intends to make the following improvements to the Pritchard Facility (“**Water Company Improvements**”): (i) installing a third, 40-cfs pump into what is currently an empty pump can with fish screen assembly previously installed at the Pritchard Lake intake facilities; (ii) installation of electrical and controls equipment associated with the addition of the third pump; and (iii) following completion of the USACE Improvements by USACE, installation of a vacuum/siphon system and additional controls wiring. The Water Company Improvements are further specified on Attachment 1 hereto.

WHEREAS, RiverArc Implementation Partners desire to utilize the Pritchard Facility for water delivery purposes (which scope and right of use is detailed in that certain Agreement for Joint Use and Maintenance of Pritchard Lake Diversion Facility (“**Joint Use Agreement**”)) and also desire to increase the capacity of the Pritchard Lake Diversion Facility’s third pump and associated facilities thereof from 40 cfs to 60 cfs (“**RiverArc Upgrades**”). RiverArc Implementation Partners will pay for the RiverArc Upgrades in accordance with the terms and conditions set forth in this Agreement. The RiverArc Upgrades are further specified on Attachment 2 hereto.

WHEREAS, the Joint Use Agreement is still being developed and it is the present intention of the Parties to continue to negotiate the terms of the Joint Use Agreement, and, if agreed upon, enter into said agreement (and nothing herein shall obligate any Party to agree upon or otherwise enter into the Joint Use Agreement). RiverArc Implementation Partners desire access to the Pritchard Lake Diversion Facility’s third pump and associated facilities for inspection during construction, start-up, testing, and throughout the warranty period in accordance with the terms

and conditions set forth in this Agreement. RiverArc Implementation Partners agree to coordinate inspections with Water Company with at least two (2) days' notice.

NOW THEREFORE, for good and valuable consideration and the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. Water Company's Obligations.

A. Water Company agrees to perform or provide for the following services in furtherance of the Project:

i. Pay for the costs of design, bidding, oversight, inspection, environmental compliance, and construction of the Water Company Improvements; provided, however, that the "Water Company Improvements", as defined in this Agreement shall be deemed to exclude the RiverArc Upgrades and any other improvement(s) that is/are required solely as a consequence of the upgrading of the third pump and related facilities at the Pritchard Facility from one capable of delivering 40 cubic feet per second ("cfs") of water to one capable of delivering 60 cfs of water, and provided further, that the Parties acknowledge and agree that any environmental clearance required to be done or obtained by Water Company with respect to the Water Company Improvements has already been obtained, performed and paid for. Water Company has confirmed that environmental clearance for the Water Company Improvements also includes the scope of the RiverArc Upgrades but does not cover any approvals required for the Project that is not covered under this Agreement.

ii. Water Company will contract (subject to RiverArc Implementation Partners' cost-sharing obligations hereunder) for the design, bidding, environmental clearance, construction, and construction management/oversight of all the Water Company Improvements and RiverArc Upgrades.

iii. Water Company shall have no obligation to proceed with construction of or contracting for the RiverArc Upgrades until the RiverArc Implementation Partners have provided their Go Forward Notice (as hereinafter defined).

2. RiverArc Implementation Partners' Obligations.

A. RiverArc Implementation Partners shall contribute to the design costs associated with the RiverArc Upgrades by paying Water Company for the additional design costs required for the design of those upgrades, in an amount not to exceed Six Hundred Thousand

Dollars (\$600,000), while Water Company shall remain responsible for the design, bidding, and environmental clearance activities related to the Water Company Improvements. To the extent reasonably possible, Water Company shall have their designer create a separate line item to account for design costs associated with the RiverArc Upgrades. The parties shall cooperate on the allocation of the design costs associated with the RiverArc Upgrades.

B. Invoices from Water Company to RiverArc Implementation Partners with respect to amounts owed by the RiverArc Implementation Partners under this Agreement shall be presented to RiverArc Implementation Partners after Water Company's receipt of invoices from Water Company's consultants or contractors (as applicable) relating to the RiverArc Upgrades. RiverArc Implementation Partners shall pay to Water Company within forty-five (45) days of receipt of an invoice from Water Company, those costs and expenses incurred by Water Company with respect to the RiverArc Upgrades for which the RiverArc Implementation Partners are obligated to pay or reimburse Water Company for under this Agreement and are invoiced to RiverArc Implementation Partners in accordance with the terms of this Agreement.

C. RiverArc Implementation Partners and Water Company acknowledge that construction of the RiverArc Upgrades will not proceed unless and until the RiverArc Implementation Partners provide written authorization to the Water Company to proceed ("**Go Forward Notice**"), following approval by their respective governing bodies of the construction-phase costs and expenses. The RiverArc Implementation Partners shall have no obligation to provide any Go Forward Notice. The RiverArc Implementation Partners shall have no obligation to fund the construction of the RiverArc Upgrades until the Go Forward Notice has been provided by the RiverArc Implementation Partners. The Go Forward Notice shall include confirmation of receipt from the RiverArc Implementation Partners of their applicable governing bodies approval of funding an aggregate amount sufficient to cover both the Engineer's Estimate for the RiverArc Upgrades and a contingency (which such contingency amount shall be mutually agreeable to RiverArc Implementation Partners and Water Company) for anticipated change orders and unforeseen field conditions, provided, however, that such authorized amount shall not limit RiverArc Implementation Partners obligations to pay for the full amount of the RiverArc Upgrades in accordance with the terms of this Agreement. Water Company shall provide RiverArc Implementation Partners with the Engineer's Estimate of the total costs for the RiverArc Upgrades promptly after Water Company's receipt of the same from its engineer, but no later than ninety (90) days prior to the Water Company Improvements and RiverArc Upgrades being posted for

public bidding. Should the RiverArc Implementation Partners elect to proceed with the Go Forward Notice, such notice shall be provided by the RiverArc Implementation Partners to Water Company within eighty (80) days of receipt of the Engineer's Estimate. Upon providing the Go Forward Notice, the RiverArc Implementation Partners shall be irrevocably (subject to any applicable termination rights under Section 2.F. below) obligated to pay for the costs of all construction, construction management, and all other related costs for the RiverArc Upgrades, including, without limitation, each of the following:

- i. All costs associated with upsizing the third pump from a 40 cfs pump to a 60 cfs pump;
- ii. All costs associated with upsizing the discharge pipe on the intake facility from one capable of intaking 40 cfs to one capable of intaking 60 cfs (if deemed necessary), exclusive of the three (3) new 36-inch pipes over the levee which is already included in the USACE Improvements;
- iii. All costs associated with the upsizing of electrical controls and equipment (including, but not limited to, electrical panels and variable frequency drives) from controls and equipment sufficient to operate a 40 cfs pump to controls and equipment sufficient to operate a 60 cfs pump; and
- iv. All costs associated with any pump can upgrades that may be required to fit the larger/higher volume pump (including any new pump can that might be required to fit the larger 60 cfs pump) or any additional design elements desired by RiverArc Implementation Partners that are not included in Water Company's original scope of work (example may include the inclusion of a variable frequency drive).

D. Invoices to be provided by Water Company to RiverArc Implementation Partners under Section 2(B) above shall be delivered to RiverArc Implementation Partners in accordance with the notice provision provided in Section 7 of this Agreement and shall contain an itemized description for each cost that is being passed on from Water Company to RiverArc Implementation Partners. Should RiverArc Implementation Partners disagree with the invoiced costs, disputes shall be addressed pursuant to Section 11 of this Agreement.

E. In the event that RiverArc Implementation Partners do not timely provide the Go Forward Notice, then this Agreement shall terminate and no Party shall have any further rights or obligations under this Agreement; provided, however, that any termination by RiverArc

Implementation Partners shall not relieve it of its obligation to make any payments to Water Company that had already accrued prior to such termination.

F. If RiverArc Implementation Partners timely provide the Go Forward Notice, Water Company agrees to include the RiverArc Upgrades as a separate bid alternate item in the public bid documents so that the costs of the RiverArc Upgrades in any award for the work can be readily ascertained. Upon determination of the actual costs of the RiverArc Upgrades (as determined through the public bid alternate process), RiverArc Implementation Partners may terminate this Agreement within ten (10) days of receipt of the final bid results, or such other time the parties may agree upon, but in no event later than five (5) days prior to the construction bid expiration, by providing written notice to Water Company of RiverArc Implementation Partners' election to terminate this Agreement. In the event of termination of this Agreement by RiverArc Implementation Partners in accordance with this Section 2(F), Water Company shall have no obligation to contract to construct the RiverArc Upgrades. In the event that the RiverArc Implementation Partners have not elected to terminate this Agreement, and a bid for the RiverArc Upgrades is accepted, then Water Company and RiverArc Implementation Partners shall coordinate regularly regarding the timing of milestone activities and decisions.

G. If RiverArc Implementation Partners and Water Company have not successfully executed the Joint Use Agreement, RiverArc Implementation Partners shall have the right to terminate this Agreement, provided that: (i) any expenses incurred by Water Company related to the RiverArc Upgrades and any re-design expenses incurred, or to be incurred, by Water Company due to RiverArc Implementation Partners termination of this Agreement (excluding any expenses which Water Company would have incurred in relation to the Water Company Improvements regardless of the RiverArc Upgrades) shall be reimbursed or paid (as applicable) in full by the RiverArc Implementation Partners to Water Company; and (ii) Water Company has not then entered into a contract to construct any of the RiverArc Upgrades (or any portion thereof). RiverArc Implementation Partners may, at their own risk, elect to continue with the design and/or construction of the RiverArc Upgrades prior to execution of the Joint Use Agreement with no assurances that the Joint Use Agreement will be approved by Water Company. RiverArc Implementation Partners' obligations under this Section 2(G) shall survive the termination of this Agreement.

H. If RiverArc Implementation Partners are unsuccessful in securing the Pritchard Facility as a Central Valley Project (CVP) intake, in accordance with the Bureau of

Reclamation and/or State Water Resources Control Board requirements, RiverArc Implementation Partners shall have the right to terminate this Agreement, provided that: (i) any expenses incurred by Water Company related to the RiverArc Upgrades and any re-design expenses incurred, or to be incurred, by Water Company due to RiverArc Implementation Partners' termination of this Agreement (excluding any expenses that Water Company would have incurred in connection with Water Company Improvements regardless of the RiverArc Upgrades) shall be reimbursed or paid (as applicable) in full by the RiverArc Implementation Partners to Water Company; and (ii) Water Company has not then entered into a contract to construct any of the RiverArc Upgrades (or any portion thereof). RiverArc Implementation Partners may, at their own risk, elect to continue with the design and/or construction of the RiverArc Upgrades prior to receiving notice of a Pritchard Facility CVP designation. RiverArc Implementation Partners' obligations under this Section 2(H) shall survive the termination of this Agreement.

I. In the event that RiverArc Implementation Partners terminate this Agreement in accordance with Section 2(E), Section 2(F), Section 2(G), or Section 2(H), then this Agreement shall terminate, and no Party shall have any further rights or obligations under this Agreement; provided, however, that any termination by RiverArc Implementation Partners shall not relieve it of: (i) its obligation to make any payments or reimbursements to Water Company required hereunder that had already accrued prior to such termination or are otherwise owed as a result of RiverArc Implementation Partners' termination of this Agreement; or (ii) any other obligations of RiverArc Implementation Partners which expressly survive termination of this Agreement.

J. Nothing in this Agreement obligates Water Company to proceed with the design of the RiverArc Upgrades, obtaining the Engineer's Estimate, or sending out the RiverArc Upgrades to bid, within any specific time frame or by any specific date, it being understood and agreed that while Water Company agrees to consult with RiverArc Implementation Partners with respect to such timing, the timing of each of the foregoing shall be determined by Water Company in its sole and absolute discretion.

3. Term of Agreement. This Agreement shall remain in effect until the completion of the RiverArc Upgrades and Water Company Improvements and all payments under Section 2 have been made by RiverArc Implementation Partners, or the termination of this Agreement by RiverArc Implementation Partners in accordance with Section 2(E), Section 2(G), or Section 2(H) hereof, whichever occurs first. Any provisions of this Agreement intended to be performed after

the expiration of such term shall survive and not be affected by the expiration of such term. Additionally, any payment obligations accruing prior to termination of this Agreement, or accruing as a result of the termination of this Agreement, shall survive the termination or expiration of this Agreement. In the event that the RiverArc Project does not occur, Water Company may pay RiverArc Implementation Partners the reasonable market value of the RiverArc Upgrades to improve its operational flexibility, work with RiverArc Implementation Partners to recoup RiverArc Implementation Partners' costs for the RiverArc Upgrades to the extent possible, or pursue other options mutually agreeable to the Parties, in each case, at Water Company's election in its sole and absolute discretion. Water Company shall have no obligation to pay RiverArc Implementation Partners for any RiverArc Upgrades unless agreed to by Water Company (in its sole and absolute discretion) in a subsequent written agreement executed by Water Company.

4. No Representations or Warranties by Water Company. Water Company makes no representations or warranties of any kind to RiverArc Implementation Partners except to the extent of any representations or warranties expressly set forth in this Agreement. Without limitation of the foregoing, Water Company makes no representation or warranty with respect to either: (i) the timing of completion of the RiverArc Upgrades, USACE Improvements or Water Company Improvements; (ii) whether any further environmental review or reports are needed to be performed or generated in connection with the Project, and RiverArc Implementation Partners hereby assumes the risk and costs thereof; or (iii) as to whether any third-party approvals (such as SAFCA or USACE) are necessary with respect to the Project (including, without limitation, with respect to the RiverArc Upgrades, except as otherwise expressly provided for in this Agreement), and RiverArc Implementation Partners hereby assumes the risk thereof and shall be responsible for obtaining the same at RiverArc Implementation Partners' sole cost and expense. To the extent any such approvals are necessary, RiverArc Implementation Partners and Water Company agree to reasonably cooperate with each other to obtain such approvals (provided, however, that such cooperation shall not be at any material expense to Water Company).

5. RiverArc Implementation Partners Participation in Design Process.

A. RiverArc Implementation Partners shall have the right and opportunity during the design process to: (i) review and comment on (and, with respect to the RiverArc Upgrades, also approve of the design of the Water Company Improvements and RiverArc Upgrades to the extent it impacts RiverArc Implementation Partners' ability to utilize the third pump located at the Pritchard Facility, which such review shall occur at each key milestone in this phase of the

Levee Project (30%, 70% and 100% completion, or similar milestones as the Water Company engineer has planned); and (ii) review of bids and apparent low bidder in relation to the RiverArc Upgrades.

B. Both the preliminary design and the final design of the RiverArc Upgrades must be approved in writing by the RiverArc Representative (as identified in Section 7 of this Agreement). If either, or both, the preliminary design or final design is not approved by the RiverArc Implementation Partners, the RiverArc Representative will notify Water Company in writing of the reason or reasons why such design is not acceptable, and Water Company and the RiverArc Representative shall thereafter meet and confer for a period not to exceed ten (10) days, in an effort to try and determine if revisions may be made that are acceptable to the Parties. During this ten (10) day period, the Parties shall each use commercially reasonable efforts to have a representative of each of Water Company and the RiverArc Representative either meet and confer in person or via telephone. In the event that, notwithstanding such meet and confer efforts, the Parties are still unable to agree on any design (or any aspect thereof), then, within ten (10) days of the conclusion of such meet and confer period, RiverArc Implementation Partners shall elect one (1) of the following three (3) options (which election shall be made by way of written notice from the RiverArc Representative to Water Company): (1) dispense with the construction of the RiverArc Upgrades that the Parties are unable to agree on the design for, in which case such River Arc Upgrades shall no longer be a part of the RiverArc Upgrades and Water Company shall have no obligations, responsibilities or duties with respect thereto; (2) terminate this Agreement; provided, however, that in the event of such termination, RiverArc Implementation Partners shall pay to Water Company any expenses already incurred by Water Company (and that the RiverArc Implementation Partners would have been obligated to reimburse Water Company for under this Agreement had the termination never occurred) or that Water Company has already contracted with respect to (provided that Water Company cannot then cancel such contract, or, as applicable, portion thereof, without any liability, payment or penalty of any kind); or (3) agree to proceed with the design of such RiverArc Upgrades as may be agreeable to Water Company. In the event that the RiverArc Representative fails to timely provide the election notice contemplated by the preceding sentence, then RiverArc Implementation Partners shall be deemed to have elected to proceed under option (2). Any approval required by (or of) the RiverArc Implementation Partners under this Section 5(B). shall not be unreasonably withheld, conditioned or delayed, and any review, comment

or approval by (or of) the RiverArc Implementation Partners shall be at the RiverArc Implementation Partners' own cost and expense.

C. Any comment or approval (or disapproval) by RiverArc Implementation Partners required or permitted under Section 5(B) shall be delivered by RiverArc Representative to Water Company in writing within the following time frames (as applicable): with respect to any design submittal, within four (4) weeks of receipt by the RiverArc Representative of the proposed design.

D. RiverArc Implementation Partners shall have the right to request (prior to the RiverArc Upgrades going out to the public bidding process) any further upgrades that may be necessary to increase the capacity of the third pump and related facilities at the Prichard Facility from one capable of delivering 40 cfs of water to one capable of delivering 60 cfs, provided that the costs of any such upgrades shall be borne solely by RiverArc Implementation Partners and RiverArc Implementation Partners shall be solely responsible for obtaining all third-party approvals and environmental clearances (in each case, to the extent such approvals and clearances have not already been obtained in connection with the Water Company Improvements and RiverArc Upgrades). Water Company will keep RiverArc Implementation Partners reasonably apprised of the timeline for completion of the USACE Improvements, the Water Company Improvements and RiverArc Upgrades, including estimated times of completion for key milestones, any delays, and any change orders (to the extent such change order concerns the RiverArc Upgrades).

6. RiverArc Implementation Partners Participation in Construction Process.

A. RiverArc Implementation Partners shall have the right and opportunity during the construction process to: (i) participate in the review of equipment and shop drawing submittals, change order requests (and with respect to any change orders that specifically pertain to the RiverArc Upgrades, approve such change orders), and inspection of the construction related to the RiverArc Upgrades; and (ii) review and approve contractor progress payments and final payment in relation to the RiverArc Upgrades.

B. Any comment or approval (or disapproval) by RiverArc Implementation Partners required or permitted under Section 6(A) shall be delivered by RiverArc Representative to Water Company in writing within the following time frames (as applicable): (i) with respect to any construction submittal (including, without limitation, bids, contracts and change orders), within three (3) weeks of receipt by the RiverArc Representative of the applicable construction submittal; and (ii) with respect to any payment or request for information, within ten (10) days of the RiverArc

Representative's receipt of the proposed payment or request for information (as applicable). Notwithstanding the foregoing, any review, comment or approval periods may be shortened (upon notice by Water Company to the RiverArc Representative) to the extent necessary to avoid adverse delays to any construction work to be performed or payments to be made on the Water Company Improvements. RiverArc Implementation Partners and Water Company shall reasonably cooperate and communicate with each other (at no material cost to Water Company, or, RiverArc Implementation Partners shall reimburse Water Company for any material costs caused by RiverArc Implementation Partners' comments) to ensure that the intent of this Section 6 is carried out. Any disputes between the Parties in implementing or coordinating this process shall be addressed through the dispute resolution process set forth in Section 11.

C. Section 6 shall not apply if the RiverArc Implementation Partners have either (i) elected to not provide the Go Forward Notice or (ii) have otherwise elected to terminate this Agreement in accordance with its terms.

7. Communication Protocols. RiverArc Implementation Partners may directly communicate with the Water Company's design consultants, construction management team, and construction contractors on issues related to the RiverArc Upgrades. RiverArc Implementation Partners shall include Water Company designated staff in any such communications and such communications shall not consist of direction, control, or supervision of such third parties, which rights are reserved to Water Company in Section 8(A).

8. Notices. Any notices, invoices, payments and other communications under this Agreement shall be given by delivering the same in writing to the Parties at the addresses below:

To Water Company:

Brett Gray, General Manager
Natomas Central Mutual Water Company
2601 West Elkhorn Blvd.
Rio Linda, CA 95673
Phone: 916-419-5936
Email: bgray@natomaswater.com

To RiverArc Implementation Partners, c/o Placer County Water Agency
("RiverArc Representative"):

Jeremy Shepard, Director of Technical Services
Placer County Water Agency
144 Ferguson Road
P.O Box 6570

Auburn, CA 95604
Phone: 530-823-2066
Email: jshepard@pcwa.net

A Party may change the designation indicated above by written notice to the other Parties in accordance with this Section 7. Any notice sent by email shall be deemed to be given and received on the date of the email, provided that a copy of such notice is also sent by U.S., mail, federal express, or by other similar means.

9. No Employment or Joint Venture Relationship.

A. It is understood and agreed that Water Company, including any consultants or contractors retained by Water Company, and RiverArc Implementation Partners, including any consultants or contractors retained by RiverArc Implementation Partners, are not joint ventures or partners of each other and that no relationship of employer-employee, partnership, or joint venture exists between the Parties.

B. If, in the performance of this Agreement, any third parties are employed or contracted by Water Company, such persons shall be entirely and exclusively under the direction, supervision, and control of Water Company. All terms of employment and contracting, including hours, wages, working conditions, discipline, hiring and discharging, or any other terms of employment or requirements of law, shall be determined by Water Company.

10. Indemnification and Limitation of Liability.

A. Water Company, by execution of this Agreement, specifically agrees to hold harmless, defend and indemnify RiverArc Implementation Partners, their respective governing boards, officials, officers, agents and employees from and against any and all actions, claims, loss, liability, damage and expense (including reasonable attorney's fees), but only to the extent caused by any grossly negligent or willful act or omission of Water Company or any of its officers or employees in connection with performance of Water Company's obligations under this Agreement.

B. RiverArc Implementation Partners, by execution of this Agreement, specifically agrees to hold harmless, defend and indemnify the Water Company, its officials, officers, agents and employees from and against any and all actions, claims, loss, liability, damage and expense (including reasonable attorney fees), but only to the extent caused by any grossly negligent or willful act or omission of RiverArc Implementation Partners, its officers or employees in connection with performance of RiverArc Implementation Partners' obligations under this Agreement.

C. RiverArc Implementation Partners acknowledge and agree that it has the ability to participate in the design and potential future construction of the improvements and as such, Water Company shall not have any liability to RiverArc Implementation Partners for the design or construction of any of the improvements contemplated by this Agreement (including the USACE Improvements, Water Company Improvements and RiverArc Upgrades) except for any obligations of Water Company expressly contained in this Agreement. Water Company shall, however, upon the discovery of either design errors or construction defects in the RiverArc Upgrades, either (which election of one of the two options listed below, shall be made in Water Company's sole and absolute discretion): 1) diligently exercise its contractual rights to remedy any design errors or construction defects caused by Water Company's consultants and construction contractors in the course of designing or constructing the RiverArc Upgrades; or 2) promptly assign (on a non-exclusive basis) its legal rights to remedy these errors and defects to RiverArc Implementation Partners.

11. Insurance By Contractors for the Water Company Improvements and RiverArc Upgrades. Water Company shall require that any contractor designing or installing the third pump at the Pritchard Facility obtain and maintain commercially reasonable general liability insurance (in an amount no less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate) covering any errors or omissions in relation to the design and personal injury and property damage (in each case, to the extent obtainable) in relation to construction of the Water Company Improvements and RiverArc Upgrades which insurance shall name Water Company and RiverArc Implementation Partners as additional insureds. In addition, in any of Water Company's agreements that Water Company hereafter enters into with any consultants and contractors performing any aspect of the design or construction for the RiverArc Upgrades shall require such consultants (in accordance with California Civil Code Section 2782.8) and contractors to agree to hold harmless, defend, and indemnify the RiverArc Implementation Partners and their respective governing boards, officers, agents, and employees, and name the RiverArc Implementation Partners and their respective officers, agents, and employees as additional insureds, to the same extent that such agreements require this for Water Company for its officers, agents and employees.

12. Disputes.

A. If a dispute arises concerning any controversy or claim arising out of or relating to this Agreement or the breach thereof, or relating to its application or interpretation, the

aggrieved Party will notify the other Party of the dispute in writing within twenty (20) days after such dispute arises. If the Parties fail to resolve the dispute within thirty (30) days after delivery of such notice, each Party will promptly nominate an officer of its organization to meet at any mutually-agreed time and location to attempt to resolve the dispute. The Parties shall attempt in good faith to reach a just and equitable solution satisfactory to both Parties (provided, however, that nothing in this sentence shall obligate any Party from agreeing to any solution or settlement). Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days thereafter, the dispute will be subject to mediation, pursuant to subsection B, below. The time periods set forth in this Section 11 are subject to extension as agreed to by the Parties.

B. If a dispute is not resolved pursuant to subsection A, above, the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation initiated and conducted under the applicable rules of the American Arbitration Association before having recourse in a court of law. Each Party shall bear their own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including, without limitation, any materials prepared or submitted or any positions taken by or on behalf of either Party, shall be inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by both Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. The mediation shall be completed within sixty (60) days after selection of the mediator, unless the Parties agree to extend the mediation period. In the event the Parties are not able to resolve the dispute at the mediation, then either Party shall be free to pursue the dispute in a court having jurisdiction thereof. Notwithstanding anything to the contrary in this Section 11, any Party may, at any time (and without first having complied with the procedures required under this Section 11), file an action in court having jurisdiction thereof in order to procure temporary injunctive relief or any other provisional remedy.

13. Amendments. Modifications or amendments to the terms of this Agreement shall be in writing and executed by both Parties.

14. Successors and Waivers. This Agreement shall bind the successors and assigns of RiverArc Implementation Partners and Water Company in the same manner as if they were expressly named. Waiver by any Party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right under this Agreement.

15. Parties to Agreement. Water Company and the RiverArc Implementation Partners are the only parties to this Agreement. The RiverArc Implementation Partners will consult with Project partners and represent their input and interests in this Agreement. RiverArc Implementation Partners intend to assign their rights and obligations under this Agreement to a joint powers agency, consisting of the RiverArc Implementation Partners, that will be established to implement and operate RiverArc facilities. Such assignment will not require Water Company approval; however, written notice is required consistent with Section 7. Except as provided above, this Agreement may not be assigned, in whole or in part, to any other entity without the prior written consent of Water Company, which may be withheld by Water Company in its sole and absolute discretion. No assignment shall relieve any Party of: (i) its obligations and liabilities accruing prior to the assignment; or (ii) contingent indemnity obligations with respect to acts, events or omissions occurring prior to the assignment. Any assignee shall, as a condition of such assignment, execute a document agreeing to be bound by all terms and provisions of this Agreement.

16. Entire Agreement. This Agreement constitutes the entire agreement between the RiverArc Implementation Partners and Water Company concerning the subject matter of this Agreement and supersedes whatever oral or written understanding the Parties may have had prior to the execution of this Agreement regarding the subject matter of this Agreement. The Joint Use Agreement is a collateral agreement between the Parties and is not superseded by this Agreement.

17. Governing Law. This Agreement shall be governed and construed by the laws of the State of California.

18. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the provision, covenant or condition determined to be invalid, void or unenforceable does not materially alter the essential terms of this Agreement.

19. Counterparts. This Agreement may be executed in multiple counterparts and shall be deemed executed when signed by the authorized representatives of both parties. This Agreement may be delivered and executed electronically, and electronic signatures (e.g., DocuSign), shall constitute original signatures for all purposes and shall be legally binding.

*[Remainder of page left intentionally blank;
signatures appear on the following page]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first written above.



PLACER COUNTY WATER AGENCY

Robert Dugan, Chair of the Board
Placer County Water Agency

May 11, 2026
Date

ATTEST:


Lori Young
Clerk to the Board

[Signatures Continue on Next Page]

CITY OF SACRAMENTO:

By: _____

Date: _____

Assistant City Manager

For: Maraskeshia Smith, City Manager

Approved as to Form:

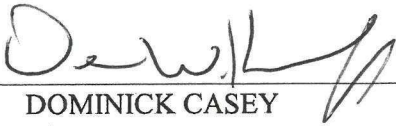
City Attorney

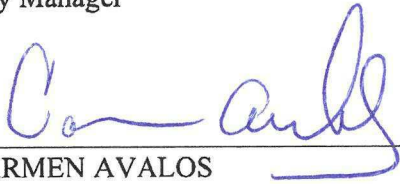
Attest:

City Clerk


[Signatures Continue on Next Page]

CITY OF ROSEVILLE

By:  for Date: 5/15/2026
DOMINICK CASEY
City Manager

Attest:
By: 
CARMEN AVALOS
City Clerk

Approved As To Form:
By: 
MICHELLE SHEIDENBERGER
City Attorney

Approved As To Substance:
By: 
SEAN BIGLEY
Environmental Utilities Director

[Signatures Continue on Next Page]

NATOMAS CENTRAL MUTUAL WATER COMPANY

By: _____ Date _____
BRETT GRAY
General Manager

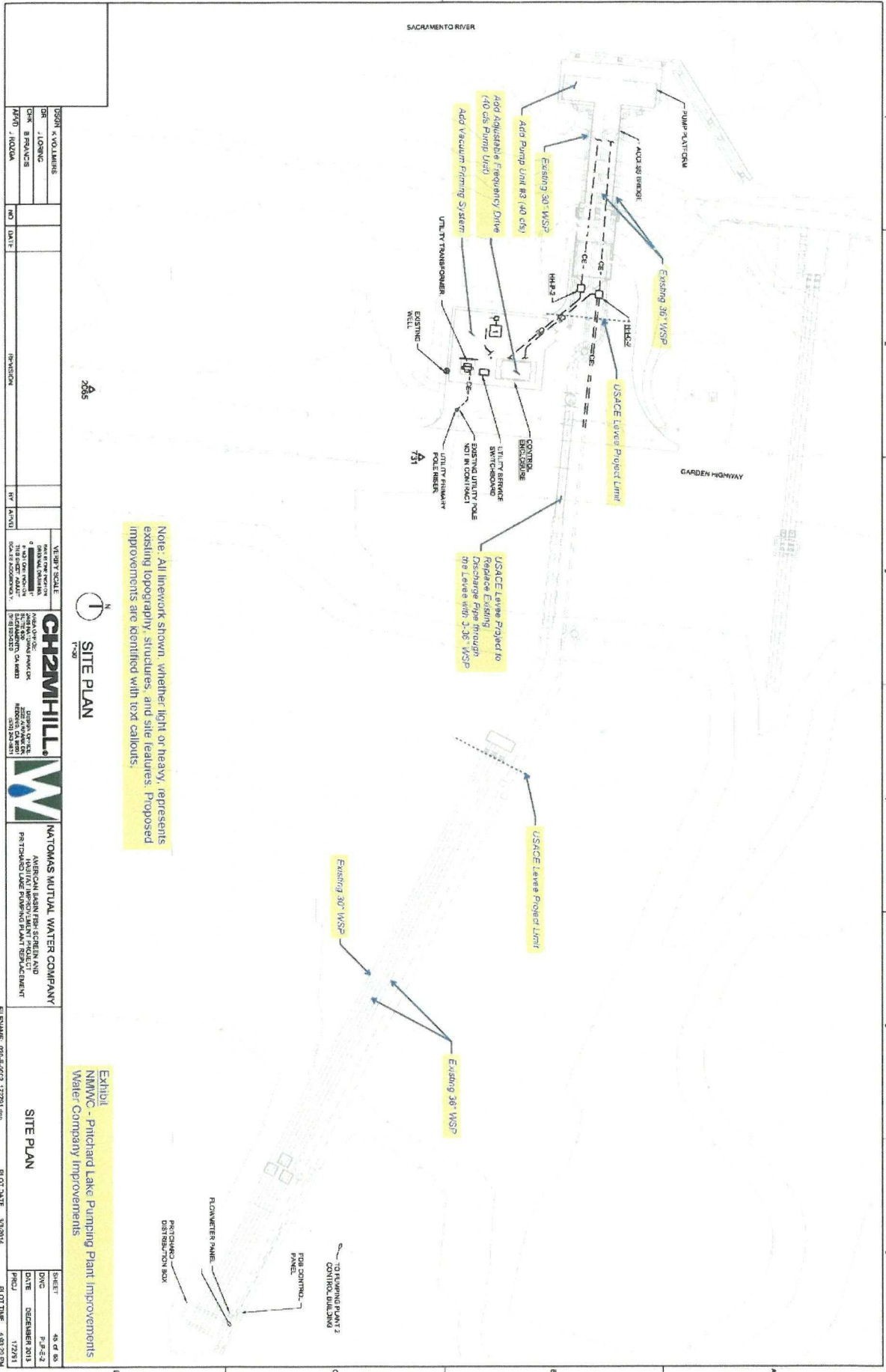
Attest:

Name _____
Title _____

ATTACHMENT 1

Water Company Improvements

[See attached]



Note: All linework shown, whether light or heavy, represents existing topography, structures, and site features. Proposed improvements are identified with text callouts.

DESIGNER K. VOLLMERS	DATE	REVISION	BY	DATE	YEARLY SCALE 0" = 100'-0" 1" = 100'-0" 2" = 100'-0" 3" = 100'-0" 4" = 100'-0" 5" = 100'-0" 6" = 100'-0" 7" = 100'-0" 8" = 100'-0" 9" = 100'-0" 10" = 100'-0"		NATIONAL MUTUAL WATER COMPANY AMERICAN LABORATORY SCREEN AND PITCHARD LAKE PUMPING PLANT IMPROVEMENT	SITE PLAN	SHEET DATE 12/28/13
DR. J. LOHMEYER					48 OF 88 P. 24-23				
CHK. B. FRANCIS									
APP. J. HODGA									

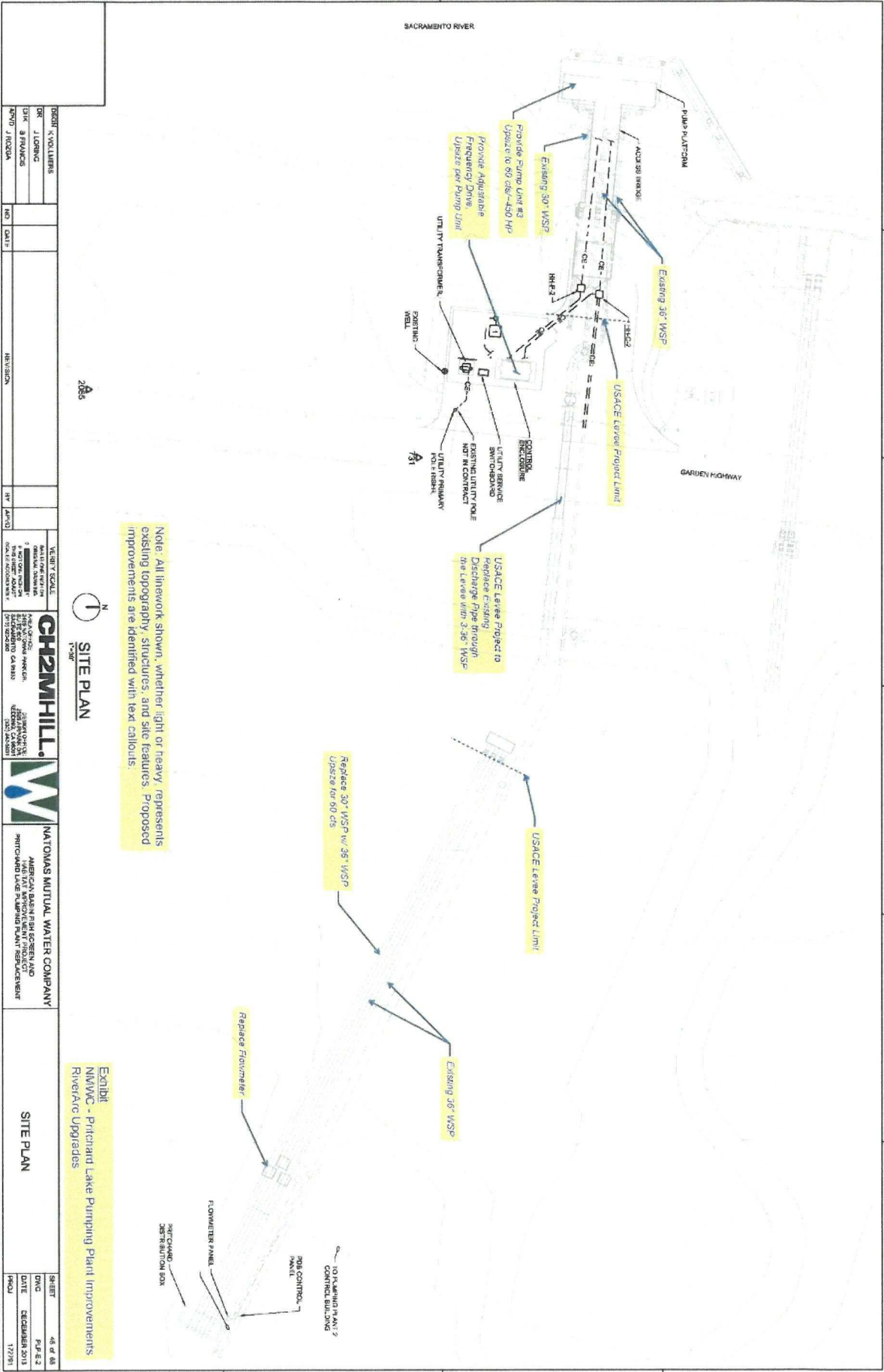
Exhibit
 NMMWC - Pritchard Lake Pumping Plant Improvements
 Water Company Improvements

PROJECT NO. 006-5-0402, 1279118P
 PROJECT DATE: 08/20/14
 PLOT DATE: 12/28/13

ATTACHMENT 2

RiverArc Upgrades

[See attached]



Note: All linework shown, whether light or heavy, represents existing topography, structures, and site features. Proposed improvements are identified with text callouts.

Exhibit
 NAWWC - Pritchard Lake Pumping Plant Improvements
 RiverArc Upgrades

DOOR VOLUMES DRK 2 JOURNAL DRK 3 FRAMES DRK 4 FRAMES		NO. 1 DATE REVISION		VELOCITY SCALE 1" = 10'		CH2MHILL 10000 10000		NATONAS MUTUAL WATER COMPANY AMERICAN BAYN FOR GREENLAND PITCHARD LAKE PUMPING PLANT REPLACEMENT		SITE PLAN SHEET 48 OF 48 DATE: DECEMBER 2011 17/2011	
REVISION NO. 1 DATE		BY DATE		DATE 12/20/11		PROJECT PITCHARD LAKE PUMPING PLANT REPLACEMENT		PROJECT PITCHARD LAKE PUMPING PLANT REPLACEMENT		PROJECT PITCHARD LAKE PUMPING PLANT REPLACEMENT	