

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

ONE YEAR FUNDING AGREEMENT BETWEEN THE UNITED STATES
AND THE SAN JOAQUIN RIVER GROUP AUTHORITY

Table of Contents

<u>Para. No.</u>	<u>Title</u>	<u>Page No.</u>
1.0	AUTHORITY	1
2.0	INTRODUCTION	1
3.0	INCORPORATION OF SAN JOAQUIN RIVER AGREEMENT	2
4.0	CONDITIONS	2
5.0	PETITION TO SWRCB	2
6.0	CANCELLATION	2
7.0	TERM OF AGREEMENT	3
8.0	PAYMENT AND INVOICING	3
9.0	UNITED STATES NOT LIABLE	4
10.0	ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED.	4
11.0	OFFICIALS NOT TO BENEFIT	4
12.0	NOTICES	4
13.0	SIGNATORIES' AUTHORITY	5
	ATTACHMENT 1 - SAN JOAQUIN RIVER AGREEMENT	6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

ONE YEAR FUNDING AGREEMENT BETWEEN THE UNITED STATES AND
THE SAN JOAQUIN RIVER GROUP AUTHORITY

1.0 AUTHORITY

THIS AGREEMENT made this 12th day of April, 1999, pursuant to the Act of June 17, 1902, (32 Stat.388) and the acts amendatory thereof or supplementary thereto, including Section 2 of the Act of August 26, 1937, (Ch.832,50 Stat.844) and Title XXXIV of the Act of October 30, 1992 (106 Stat.4706), Central Valley Project Improvement Act (CVPIA), between and among THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation (RECLAMATION), and the SAN JOAQUIN RIVER GROUP AUTHORITY (SJRGA), a California Joint Powers Authority, and its water transferring constituent agencies, Merced Irrigation District, Modesto Irrigation District, Turlock Irrigation District, South San Joaquin Irrigation District, Oakdale Irrigation District, and the San Joaquin River Exchange Contractors Water Authority.

2.0 INTRODUCTION

2.1 RECLAMATION and the SJRGA are parties to a long-term contract titled "San Joaquin River Agreement" executed on or before March 31, 1999. The terms of the subject agreement are directly referenced in Article 3.0 below.

2.2 The parties to the San Joaquin River Agreement have petitioned the State Water Resource Control Board (SWRCB) to adopt and implement the San Joaquin River Agreement through an appropriate SWRCB order. The SWRCB has issued an order extending its reliance on the Central Valley Project and the State Water Project to comply with the Delta standards through December 31, 1999. The SWRCB, however, has not issued such an order allowing for implementation of the San Joaquin River Agreement, and is not expected to issue an order by April 1999, when certain actions must be taken.

2.3 Because all necessary environmental documentation has been completed, the parties to the San Joaquin River Agreement have agreed to implement that agreement's flow and pumping regiments for one (1) year.

2.4 This Agreement provides a mechanism for compensating the SJRGA and its members for providing the flows specified in the San Joaquin River Agreement for one (1) year, pending approval of the longer-term San Joaquin River Agreement by the SWRCB.

3.0 INCORPORATION OF SAN JOAQUIN RIVER AGREEMENT

3.1 The definitions, terms and conditions of the San Joaquin River Agreement, as reflected in Attachment 1, are hereby incorporated by reference except for the terms and conditions expressly contradicted in this one (1)-year Agreement. The San Joaquin River Agreement articles that are particularly relevant to this one (1)-year Agreement include without limitation: Articles 5, 6, 8, 9, 11 and 14.

3.2 The following articles from the San Joaquin River Agreement do not apply while this one (1)-year Agreement is in effect: Articles 7, 10, 12 and 13.

4.0 CONDITIONS

4.1 The execution of the San Joaquin River Agreement by all the parties to this one (1)-year Agreement is a condition of the validity of this Agreement. Neither Reclamation nor SJRGA nor any of its members shall unreasonably decline to sign the San Joaquin River Agreement to avoid the covenants of this one (1)-year Agreement.

4.2 The issuance of SWRCB orders necessary to implement the 1-year Vernalis flows and export reductions is a condition to the validity of this Agreement. These orders include protection pursuant to Water Code § 1707 for the water released by the SJRGA and its members.

5.0 PETITION TO SWRCB

5.1 SJRGA shall be responsible for its members petitioning and obtaining SWRCB approval of its members' 1999 releases of water, as provided in Articles 5 and 8 of the San Joaquin River Agreement. The SJRGA has the discretion to determine the legal mechanism for receiving such approval. Reclamation shall cooperate with the SJRGA to the extent reasonably necessary to obtain such approval.

5.2 Reclamation shall be responsible for obtaining any other approvals as may be necessary for the flow and pumping regiments described in the San Joaquin River Agreement to occur during 1999. SJRGA shall cooperate with Reclamation to the extent reasonably necessary to obtain such approvals.

6.0 CANCELLATION

This Agreement may be canceled by SJRGA or Reclamation within five (5) business days of the SWRCB issuing the order(s) necessary to implement the flow and pumping regiment required in 1999 if either party reasonably determines that any term or condition of the order

is unacceptable. The parties shall then consult with each other and make a good faith effort to amend this Agreement, as necessary, to resolve the issue(s) created by an unacceptable term of the SWRCB order. Cancellation under this article shall be effected by delivering to the other party notice of cancellation within the five (5)-day period.

7.0 TERM OF AGREEMENT

This Agreement shall be effective on the date first herein above written and shall terminate on February 1, 2000, and shall constitute the first year of those contract years anticipated in the San Joaquin River Agreement. Except for the right to cancel provided in Article 6 of this Agreement, no party has a right to terminate this Agreement.

8.0 PAYMENT AND INVOICING

8.1 Upon execution of this one (1) year Agreement, the SJRGA shall submit an invoice to Reclamation in the lump-sum amount of FOUR MILLION DOLLARS (\$4,000,000.00) for the Pulse Flow Period water described in Article 5.0 of the San Joaquin River Agreement. Notwithstanding paragraph 6.3 of the San Joaquin River Agreement, Reclamation shall promptly pay the SJRGA within thirty (30) days of the receipt of an appropriate invoice as specified in paragraph 8.4 below.

8.2 Upon the completion of the releases described in paragraph 8.4 of the San Joaquin River Agreement, the SJRGA shall submit an invoice to Reclamation in the appropriate amount specified in sub-paragraphs 8.4.1 through .3 of the San Joaquin River Agreement. In addition to the information requested in paragraph 8.4 below, SJRGA shall submit a written statement, concurred in by Reclamation and Merced Irrigation District operators, verifying that the TWELVE THOUSAND FIVE HUNDRED (12,500) acre-feet of water has been released and measured at the last point of control on the Merced River and specify the method by which the water was made available for release, whether released from storage or by reoperation.

8.3 Upon completion of the release of the FIFTEEN THOUSAND (15,000) acre-feet of water described in paragraph 8.5 of the San Joaquin River Agreement, the SJRGA shall submit an invoice to Reclamation in the appropriate amount specified. In addition to the information requested in paragraph 8.4 below, the SJRGA shall submit a written statement concurred in by Reclamation and Oakdale Irrigation District operators, verifying that the 15,000 acre-feet of water has been released to Reclamation in New Melones Reservoir.

8.4 Reclamation shall promptly pay the SJRGA, upon receipt of the invoices described in paragraphs 8.1 through .3 above, which shall include the following information on the face of the invoices

for payment processing purposes:

- 8.4.1 The SJRGA's Taxpayer Identification Number which Reclamation shall report to the Internal Revenue Service as required by Federal law;
- 8.4.2 The accounting and Appropriation Data - "H37 1205 6050 100 00 0 0 2050000 255Z;" and
- 8.4.3 The Agreement Number - "9-07-20-W1551."
- 8.5 If the SWRCB disapproves the petition(s) described in Article 5.0 above, Reclamation shall incur no liability to the SJRGA or its members.

9.0 UNITED STATES NOT LIABLE

The SJRGA and its members each hereby releases, holds harmless, agrees to defend and indemnify the United States, its officers, agents and employees from all claims for damage to persons or property, direct or indirect, resulting from the SJRGA's method of performance of this one (1)-year Agreement, but only to the extent that the actual performance of the SJRGA or its members represents a breach of this Agreement, or any of its incorporated provisions, or the duty to act without negligence and in a reasonable manner.

10.0 ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED

The provisions of this Agreement shall apply to, benefit and bind the heirs, executors, administrators, assigns, and successors of the parties hereto.

11.0 OFFICIALS NOT TO BENEFIT

No member or delegate to Congress, Resident Commissioner, or Federal or State official, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

12.0 NOTICES

All notices and other communications required under this Agreement shall be in writing and shall be deemed to have been given on the date of service, if served personally on the person to whom notice is to be given, or on the third (3rd) day after mailing, if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage-prepaid, and properly addressed as follows:

12.1 To SJRGA: San Joaquin River Group Authority
Attention: Allen Short, Coordinator
c/o Modesto Irrigation District
P.O. Box 4060
Modesto, California 95352

12.2 To Reclamation: U.S. Bureau of Reclamation
Mid-Pacific Region
Attention: Water Acquisition
Program, MP-410
RE: 9-07-20-W1551
2800 Cottage Way
Sacramento, California 95825-1898

13.0 SIGNATORIES' AUTHORITY

The signatories to this Agreement, on behalf of the parties hereto, warrant and represent that they have authority to execute this Agreement and to bind the parties on whose behalf they execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

(SEAL)

By:
UNITED STATES BUREAU OF RECLAMATION

By:
SAN JOAQUIN RIVER GROUP AUTHORITY

By:
MODESTO IRRIGATION DISTRICT

By:
TURLOCK IRRIGATION DISTRICT

By:
MERCED IRRIGATION DISTRICT

By:
SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By:
OAKDALE IRRIGATION DISTRICT

By:
SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY

ATTACHMENT 1 - SAN JOAQUIN RIVER AGREEMENT