

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

REGIONAL OFFICE, REGION 2

P. O. Box 2511

Sacramento 11, California

February 23, 1962

Mr. Frank Paoli, Chairman
Placer County Water Agency
Placer County Court House
Auburn, California

Dear Mr. Paoli:

For the past year negotiations have been under way between my office and your Agency with respect to use of the American River water in western Placer County. These negotiations have been conducted with a view to resolving the apparent conflict between proposed diversions into western Placer County under your Middle Fork American River project and the Central Valley Project as to respective rights to the use of water from the American River; to assure the United States optimum accomplishments in the operation of Folsom Reservoir as a unit of the Central Valley Project; to assure the need for the construction of the Auburn Unit of the Central Valley Project; and to provide a firm water supply to your Agency for western Placer County's future water needs. Our negotiations have resulted in an agreement on the following terms to be incorporated in a contract between the United States and the Placer County Water Agency. The Commissioner of Reclamation and the Secretary of the Interior have approved these terms.

(a) The Agency, pursuant to water permits to be obtained by it from the State Water Rights Board, may divert the following amounts of water from the natural flow of the American River and from the natural flow of the American River as regulated by its works without charge into western Placer County during a normal year on the basis of 5-year intervals:

1967 thru 1971	5,000 acre-feet
1972 thru 1976	15,000 acre-feet
1977 thru 1981	20,000 acre-feet
1982 thru 1986	25,000 acre-feet
1987 thru 1991	30,000 acre-feet
1992 thru 1996	40,000 acre-feet
1997 thru 2001	55,000 acre-feet
2002 thru 2006	70,000 acre-feet
2007 and thereafter	120,000 acre-feet

(b) The Agency will require the following minimum amounts of water from the American River for use in its service area in western Placer County on the basis of 5-year intervals:

1967 thru 1971	5,000 acre-feet
1972 thru 1976	10,000 acre-feet
1977 thru 1981	20,000 acre-feet
1982 thru 1986	25,000 acre-feet
1987 thru 1991	30,000 acre-feet
1992 thru 1996	55,000 acre-feet
1997 thru 2001	90,000 acre-feet
2002 thru 2006	155,000 acre-feet
2007 thru 2011	237,000 acre-feet

(c) The Agency will be required to purchase the following minimum amounts of water from the Central Valley Project during normal years on the basis of 5-year intervals:

1967 thru 1971	0
1972 thru 1976	0
1977 thru 1981	0
1982 thru 1986	0
1987 thru 1991	0
1992 thru 1996	15,000 acre-feet
1997 thru 2001	35,000 acre-feet
2002 thru 2006	85,000 acre-feet
2007 thru 2011	117,000 acre-feet

(d) The definition of critical dry years will be the same as that applied to the American River service area.

(e) Deficiencies during critical dry years will be imposed on all water purchased by the Agency from the Central Valley Project but only on the agricultural portion of the water taken by the Agency without charge under its water permits to be obtained by it from the State Water Rights Board.

(f) Water the Agency will receive without charge can be used by it for either municipal, industrial or agricultural purposes upon demonstration of the such use made of these waters.

(g) The Agency will pay for Central Valley Project water a basic charge of \$1.50 per acre-foot for irrigation water and \$9.00 per acre-foot for municipal and industrial water, and in addition a surcharge, if the Auburn Dam and Reservoir have been constructed by the Federal Government, of the following amounts:

1992-1997 -- \$ 5,000 per year
1997-2002 -- \$10,000 per year
2002-2007 -- \$30,000 per year
2007-2011 -- \$45,000 per year

(h) The Agency may divert water under the schedule set forth under (a) above either from the American River prior to the construction of Auburn Reservoir or from Auburn Reservoir after its authorization and construction.

(i) Water to be purchased from the Central Valley Project under Federal Reclamation law will be for a period of 40 years with option to renew.

(j) Acceptance by your Agency of a normal water surface elevation of the proposed Auburn Reservoir of 934.5 feet and willingness of your Agency to construct and operate the American Bar features of your plan to recognize this elevation.

Approval of terms of the agreement and execution of the agreement with these terms included is done with the understanding that your Agency will withdraw its protest to water right permit requests by the United States for Auburn Reservoir and withdrawal of protests by the United States to permits requested by the Agency for its Middle Fork American River project, which permits would be consistent with the terms of the agreement.

A formal indication of your willingness to include the above items into an agreement with the United States, and your assurance that the Agency will withdraw its protest to requests by the United States for permits for Auburn Reservoir, will be appreciated.

Sincerely yours,

(signed) H. P. Dugan

Regional Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

REGIONAL OFFICE, REGION 2

P. O. Box 2511

Sacramento 11, California

(Town and Country Area)

July 16, 1962

Mr. Frank Paoli, Chairman
Placer County Water Agency
Placer County Courthouse
Auburn, California

Dear Mr. Paoli:

As you know, the President on May 15, 1962, approved a statement of policies, standards, and procedures for uniform application in the formulation, evaluation, and review of comprehensive river basin plans and individual project plans for use and development of water and related land resources. Pursuant to those policies the Secretary of the Interior is presently studying the feasibility of increasing the capacity of the proposed Auburn Reservoir on the American River to ascertain if a more comprehensive development of its basin could be accomplished thereby. In order to assure full comprehensive development, I urge, with the concurrence of the Commissioner of Reclamation and the Secretary of the Interior, that the terms of the agreement contained in the letter of February 23, 1962, to you concerning the development by your Agency of its project on the Middle Fork of the American River be amended and supplemented in the manner and to the extent hereinafter set out.

Paragraph (c) is amended to read as follows:

"(c) The Agency will be required to purchase the following minimum amounts of water from the Central Valley Project during normal years on the basis of 5-year intervals:

1967 thru 1971	0
1972 thru 1976	0
1977 thru 1981	0
1982 thru 1986	0
1987 thru 1991	0

1992 thru 1996	15,000 acre-feet
1997 thru 2001	35,000 acre-feet
2002 thru 2006	85,000 acre-feet
2007 thru 2011	117,000 acre-feet

If the Auburn Dam and Reservoir has been constructed by the Federal Government, water under the above schedule shall be delivered to the Agency at Auburn Reservoir. Otherwise said water shall be delivered to the Agency at points mutually agreed upon."

Paragraph (j) is amended to read as follows:

"(j) Acceptance by your Agency of a maximum water surface elevation of the proposed Auburn Reservoir up to 1140 feet and willingness of your Agency to construct and operate its project so as not to include any feature which would be interfered with by a maximum water surface elevation of 1140 feet, provided, however, that the Agency shall not be precluded from later including features which are consistent with the maximum water surface elevation of Auburn Dam and Reservoir as actually constructed."

The following provision shall be added to and made a part of the said letter:

"(k) Commencing with the year following the retirement of the bonds issued for the construction of the Agency's project and continuing thereafter so long as the Agency's project is economically feasible for operation as a water development project, it shall be operated so as to maximize its yield for the development, conservation, and use of water for consumptive purposes."

Except as hereinabove provided the provisions of the letter of February 23, 1962, shall remain in full force and effect. We believe that the construction and operation of the respective projects as provided in the February 23, 1962, letter as hereinabove modified will assure full comprehensive development of the American River basin.

If you concur, please furnish us a certified copy of a resolution of acceptance by the Board of Directors of your Agency and execute the attached copy of this letter at the place indicated. Upon the delivery to me of the executed copy of this letter and the certified copy of the resolution, the terms of the agreement contained in the letter of February 23, 1962, shall be deemed to be and shall be amended in the particulars hereinabove set out.

Sincerely yours,

(signed) H. P. Dugan

H. P. Dugan
Regional Director

Accepted:

Placer County Water Agency

By (signed) Frank Paoli
Chairman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT RELATING TO PLACER COUNTY WATER AGENCY
MIDDLE FORK AMERICAN RIVER PROJECT RESERVOIRS

THIS CONTRACT, made this _____ day of _____ 1962, in pursuance generally of the act of Congress approved June 17, 1902 (32 Stat. 388), and all acts of Congress amendatory thereof or supplementary thereto, all of which are commonly known and referred to as the Federal Reclamation Laws, between THE UNITED STATES OF AMERICA, herein-after referred to as the "United States", represented by the officer executing this contract, and PLACER COUNTY WATER AGENCY, hereinafter referred to as the "Agency";

WITNESSTH THAT:

WHEREAS, the United States has constructed a dam and reservoir in and across the American River at a point upstream from Folsom, Sacramento County, California, and will utilize said dam and reservoir and their related works for the diversion and storage of waters of the American River primarily for flood control, domestic and irrigation purposes, and the generation of electric energy, said dam being known as Folsom Dam and the reservoir created thereby being known as Folsom Lake; and

WHEREAS, Agency desires and intends to construct a series of diversion dams and storage reservoirs on various tributaries of the American River upstream from said Folsom Dam within Placer and El Dorado Counties, California, to be known as Middle Fork American River Project, which includes those works delineated upon attached map marked Exhibit "A", for the purpose of diverting and storing each year a part of the natural runoff of such tributaries; and

WHEREAS, Agency has filed an application and is seeking to obtain a license under the Federal Power Act with respect to said Middle Fork American River Project, such application being designated in the files of the Federal Power Commission as Project No. 2079; and

WHEREAS, in accordance with the laws of the State of California, Agency has filed applications and is seeking to obtain permits to appropriate and apply to beneficial use waters of the American River and its tributaries in connection with the operation of the Middle Fork American River Project, such applications being designated in the files of the State Water Rights Board as Nos. 18084, 18085, 18086, and 18087; and

WHEREAS, the construction of the Middle Fork American River Project and the operation of said project by Agency as provided in this contract will assist and be of benefit in use, distribution and/or regulation of the waters of the American River and its tributaries and it is mutually beneficial and desirable that the parties hereto provide for and agree as to the operation of said Middle Fork American River Project;

NOW, THEREFORE, in consideration of the agreements hereinafter contained, it is hereby agreed by and between the parties hereto as follows:

1. The United States consents and agrees that as against it the Agency shall have the right to store and release waters of the American River and its tributaries subject to the conditions and limitations as follows:

(a) After completion of each of the Agency's reservoirs and until commencement of operations of any powerplant served by each such reservoir, storage in each such reservoir up to the maximum water level will be made only during such times and in such amounts as indicated by the United States and after notification by the United States that any or all of the following conditions prevail:

- (i) releases are being made by the United States from Folsom Reservoir for flood control purposes;
- (ii) capacity is not available in Folsom Reservoir to store and regulate the inflow thereto;
- (iii) the forecasts made by the United States indicate that subsequent inflow to Folsom Reservoir will enable the United States to meet its requirements and to fill Folsom Reservoir or will result in releases from it for flood control purposes.

(b) The Agency may retain water stored in the Middle Fork American River Project reservoirs for such periods of time, including periods of several years duration, and may withdraw such water from storage at such times, in such amounts, and at such rates as determined to be desirable subject only to the following conditions and limitations:

- (i) During a dry year the United States will require the Agency to release and thereupon the Agency shall release water from its Middle Fork American River Project such that the total quantity stored by the said project shall be no more at the end of such year than it was at the beginning. The term "dry year" shall apply to any period commencing on October 1 and ending on the following September 30 during which the estimated natural inflow to Folsom Reservoir for the period commencing with the intervening April 1 through the follow-

ing September 30 is less than 600,000 acre-feet. The said estimate shall be made by the United States and is to be based in part on the runoff estimates of the California Cooperative Snow Survey Program.

(ii) The United States may require the Agency to release and thereupon the Agency shall release from its Middle Fork American River Project during such July, August, September, October, November, and December such amount of water so that the total quantity stored by said project shall be no more at the end of each such month than it was at the beginning of said month: Provided, however, That the Agency may increase the total quantity of water stored by the said project during November or December in which the natural inflow and the Duncan Creek Diversion to the Agency's French Meadows Reservoir in each such month exceeds 19,000 acre-feet and the natural inflow and the diversions from the North and South Fork Long Canyon Creek to the Agency's Hell Hole Reservoir in each such month exceeds 45,000 acre-feet.

(iii) Nothing herein contained shall be construed to require the Agency to release water from its project at a rate greater than the maximum discharge capacity of the turbines of the powerplants shown and having the generating capacity specified on said Exhibit "A".

2. Agency agrees to install, operate, and maintain such equipment and to make such computations as may be necessary to record all stream diversions and changes in storage in its various project facilities. Authorized representatives of the United States shall have access to such equipment at all reasonable times and shall be supplied with copies of all such records, forecasts of operations, and computations upon request.

3. It is to be understood that this agreement relates only to the operation of the reservoirs of the Agency's Middle Fork American River Project and is not intended to cover diversions of water other than to said reservoirs. Nothing herein is to be construed as an allocation of water rights as between the United States and the Agency or as between the signatories hereto and any third parties.

4. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made by a corporation or company for its general benefit.

5. This contract shall inure solely to the benefit of the parties hereto and their respective successors and assigns. No other person, partnership, association, district or corporation shall acquire or have any right under or

by virtue of this contract. This contract shall be binding upon any respective successors and assigns of the parties hereto.

6. This contract shall be effective in the year in which the Agency first accumulates storage in its project reservoirs and shall expire simultaneously with the termination of any license or extension thereof issued by the Federal Power Commission for the Agency's Middle Fork American River Project.

IN WITNESS WHEREOF, the parties hereto have duly executed these presents in triplicate original as of the day and year first hereinabove written.

THE UNITED STATES OF AMERICA

By _____
Regional Director, Region 2
Bureau of Reclamation

PLACER COUNTY WATER AGENCY

By _____
Chairman