## Placer County Water Agency

United States
Department of the Interior
Bureau of Reclamation

Water Supply Agreements



IN REPLY REPERTED

## UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION REGIONAL OFFICE, REGION 2

P. O. Now 2511
Secremento 11. California

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

FE: 231362

Dear Mr. Paolis

For the past year negotiations have been under way between my effice 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 Pork American River into western Placer County under your Middle Pork 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 Folson Reservoir as a wait of the Central Valley Project; to assure the med for the central valley Project; to assure the med for the central valley Project; and to attraction 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

(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 wastern Placer County during a normal year on the basis of 5-year intervals:

2967 thru 2971 5,000 scre-feet 1972 thru 1976 15,000 acre-feet 2977 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 scre-feet 2007 and thereafter 120,000 acre-feet

**EXHIBIT G** 

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

1967 thru 1971	
1972 thru 1976	5,000 acre-feet
1977 thru 1981	10,000 acre-feet
1902 thru 1966	20,000 acre-feet
1957 thru 1991	25,000 ecre-feet
1992 thru 1996	30,000 acre-feet
1997 thru 2001	55,000 ecre-feet
2002 thru 2006	
2007 thru 2011	155,000 acre-feet
	237,000

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

1967 thru 1971	•
3972 thru 1974	0
1977 thru 1921	o o
1982 thru 1966	ě
1987 thru 1991	
1992 thru 1004	Ö
1997 thru 2001	15,000 acre-feat
2002 thru 2006	35,000 acre-feet
2007 thru 2011	85,000 acre-feet
	117,000 scre-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 veters.
- (g) The Agency will pay for Control Valley Project water a basic charge of \$1.50 per acre-foot for irrigation vater and \$9.00 per sere-foot for municipal and industrial water, and in addition a surcharge,

**EXHIBIT G** 

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if the Auburn Dam and Reservoir has been constructed by the Pederal

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 authorisation
- (i) Water to be purchased from the Central Walley Project under Pederal Reclamation law will be for a period of 40 years with option
- (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 Ber features of your 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 Pork 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.

Regional Director

**EXHIBIT G** 



IN REPLY

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# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION

REGIONAL OFFICE, REGION 2

P. O. DOX 2511

SACRAMENTO, 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 Reclemation 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	<sub>.</sub> 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 meaned in the particulars hereinabove set out.

Sincerely yours,

H. P. Dugan

Regional Director

Accepted:

Placer County Water Agency

By 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 20 day of February 1963, 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, hereinafter referred to as the "United States", represented by the officer executing this contract, and PLACER COUNTY WATER AGENCY, hereinafter referred to as the "Agency";

#### WITNESSETH 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

WHERRAS, 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, THERFORE, 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 Folson 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:

(11) The United States may require the Agency to release and thereupon the Agency shall release from its Middle Fork American River Project during each July, August, September, October, Movember, 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 Movember or December in which

the natural inflow and the Dumcan Creek Diversion to the Agency's French Meadows Reservoir in each such month exceeds 19,000 scre-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 scre-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. The Agency will furnish each day to the United States daily releases from and storage in the Agency's reservoirs and will also furnish to the United States forecasts of projected operations as they are adopted. 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.

Thomas Hones

Regional Director, Region & Bureau of Reclamation

PLACER COUNTY WATER AGENCY

Chairman

R.O. Draft 5/5-1970 Rev. W.O. 8/3-1970

#### EXHIBIT A to Complaint

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

CUNTRACT No:

14-06-200-5082A

## CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND PLACER COUNTY WATER AGENCY FOR WATER SERVICE AND FOR DIVERSION OF WATER

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GONTRACT No.

	UNITED STATES
1	DEPARTMENT OF THE INTERIOR 14-06-200-5082A BUREAU OF RECLAMATION
2	Central Valley Project, California
3	CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND PLACER COUNTY WATER
4	AGENCY FOR WATER SERVICE AND FOR DIVERSION OF WATER
-	672
5.	THIS CONTRACT, made this / day of September 19 70,
6	in pursuance generally of the Act of June 17, 1902 (32 Stat. 388
7	and acts amendatory thereof or supplementary thereto, all collectively
8	hereinafter referred to as the Federal reclamation laws, between THE
9	UNITED STATES OF AMERICA, hereinafter referred to as the United States,
10	and PLACER COUNTY WATER AGENCY, hereinsfter referred to as the Agency,
11	a political subdivision of the State of California, duly organized,
1.2	existing, and acting pursuant to the laws thereof, including but not
13	restricted to the Placer County Water Agency Act, with its principal
14	place of business in Auburn, California,
15	WITNESSETH, That:
16	EXPLANATORY RECITALS
17	WHEREAS, the lands and inhabitants of Placer County are
18	in need of additional water for agricultural, municipal, industrial,
19	and domestic uses; and
20	WHEREAS, the United States proposes to construct the
21	Auburn Dam and Reservoir as a Unit of the Central Valley Project
22	for storage, diversion, and beneficial use of waters of the

(b) "Project" shall mean the Central Valley Project, California, of the Bureau of Reclamation;

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- (c) "Auburn-Folsom South Unit" shall mean the Project works of the Auburn-Folsom South Unit of the Project;
- (d) "District" shall mean any of the following lying within or partially within the Agency: irrigation districts, county water districts, water conservation districts, water districts, soil conservation districts, municipalities, towns, flood control districts, and any other districts or political subdivisions of the State empowered by law to appropriate and deliver water to water users;
- (e) "service area of the Agency" shall mean all of the territory within the exterior boundaries of the County of Placer;
  - (f) "year" shall mean a calendar year;
- (g) "diversion water" shall mean water to which the Agency has acquired rights thereto under permits, Nos. 13855, 13856, 13857, and 13858, issued by the California State Water Rights Board;
- (h) "Project water" shall mean water which is not diversion water and which shall be furnished to the District pursuant to the terms of this contract;

- 1 the term of a contract under subsection (d), Section 9 of the 1939
- 2 Reclamation Project Act (53 Stat. 1187), the portions of this contract
- 3 pertaining to the furnishing of Project water for agricultural use may
- 4 be converted to a contract under said subsection (d) upon terms and
- 5 conditions agreeable to the United States and the Agency.
- 6 (b) The right to the beneficial use of Project water
- 7 furnished to the Agency pursuant to this contract and any renewal
- 8 hereof shall not be disturbed so long as the Agency fulfills all of
- 9 its obligations under this contract and any such renewel.
- 10 (c) Nothing herein contained shall be construed to allow
- 11 the Agency the right to the storage of its diversion water in Auburn
- 12 Reservoir.
- (d) Letters between the Agency and the United States dated
- 14 February 23, 1962, and July 16, 1962, are hereby superseded.

#### 15 WATER TO THE AGENCY

- 16 3. (a) To the extent that diversion water and Project water
- 17 are available, as determined by the Contracting Officer, the Agency
- 18 each year will take diversion water and divert Project water in accord-
- 19 suce with the provisions of subdivision (b) of this article, but in
- 20 no event shall the Agency take in excess of one hundred and twenty
- 21 thousand (120,000) acre-feet of diversion water nor shall the United
- 22 States be obligated to furnish in excess of one hundred and seventeen

1		Diversion <u>Water</u>	Project Water	<u>Total</u>
<b>2</b> .		(Acre	-feet per year)	<del></del>
3	1970 - 1971	5,000	o	5,000
4	1972 - 1976	15,000	0	15,000
5	1977 - 1981	20,000	0	20,000
6	1982 - 1986	25,000	0	25,000
, <b>7</b>	1987 - 1991	30,000	0	30,000
8	1992 - 1996	40,000	15,000	55,000
9	1997 - 2001	55,000	35,000	90,000
10	2002 - 2006	70,000	85,000	155,000
11	2007 - 2011	120,000	117,000	237,000

after the initial delivery of water as provided herein may increase the quantity of Project water required to be furnished to the Agency for the years specified in the table in subdivision (b): Provided, That any such increase shall obligate the Agency annually to accept and pay, or pay, for such amount until a greater scheduled quantity is reached in said table. In no event, however, shall the United States be required to furnish more than one hundred and seventeen thousand (117,000) acre-feet of Project water in any year.

(d) The quantity of diversion water which the Agency may take for the years specified in said table is contingent upon the right of the Agency to continue to take said quantities of water

industrial, and domestic use during the year for which said schedule is submitted. Within the provisions hereof, the United States shall attempt to furnish Project water in accordance with said schedule, or any revision increasing the quantities thereof satisfactory to the Contracting Officer submitted by the Agency within a reasonable time before the desired change of time or quantity, or both, for delivery as nearly as may be feasible. Such revision shall create an obligation on the part of the Agency to pay for the additional water requested.

#### SUBCONTRACTS -- RESALE OF WATER

5. (a) The Agency may without the consent of the United States enter into subcontracts with Districts for the resals and distribution of Project water furnished pursuant to this contract. Each such subcontract shall be subject to the obligations and limitations imposed by this contract and shall so provide and likewise contain a provision whereby the subcontractor agrees to the provisions of this contract: Provided, That nothing herein or therein contained shall be deemed in any way to release the Agency from its primary liability to the United States hereunder with respect to each and all of the obligations undertaken by the Agency in this contract.

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quantities requested in a schedule submitted pursuant to Article 4 and at the rates set forth in subdivision (a) of this article.

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- (c) For the year 1992 and each year thereafter the Agency shall make payment of the amount due to the United States for the quantities of Project water to be used for agricultural and municipal, industrial, and domestic purposes required to be furnished that year by the United States to the Agency, either pursuant to the tabulation set forth in subdivision (b) of Article 3 or for quantities of Project water scheduled pursuant to Article 4, whichever is the greater. The Agency shall pay one-half (1/2) of the amount payable for each year before January 1 of said year and the remainder of said amount before July 1 of such year or on such other date or dates of the respective year as may be specified by the Contracting Officer in a written notice to the Agency: Provided, That at any time during any year that the quantity of Project water furnished or used as provided in subdivision (f) of this article equals the quantity for which payment has been made as herein provided, the Agency will pay in advance of any further delivery for the total quantity of Project water to be furnished to it until the next payment is due.
- (d) In the event the Agency is unable, fails, or refuses to accept delivery of the quantities of Project water available for delivery to and required to be accepted by the Agency pursuant to

## POINTS OF DELIVERY -- MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

7. (a) All Project water furnished pursuant to this contract shall be delivered at Auburn Reservoir or such other location mutually agreeable.

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(b) All diversion and Project water taken pursuant to this contract shall be measured by the Agency at the point of delivery, specified in subdivision (a) of this article, with equipment installed, operated, and maintained by the Agency to the satisfaction of the Contracting Officer and without expense to the United States. Upon the request of the Contracting Officer, the Agency shall investigate the accuracy of said measuring equipment and shall adjust any errors disclosed by such investigation. The Contracting Officer together with the Agency may inspect said measuring equipment for the purpose of determining the accuracy thereof. In the event said facilities are found to be defective or not operating properly, they shall be repaired or replaced by the Agency. In the event the Agency neglects or fails to make the repairs or replacements within such reasonable time as may be necessary to satisfy the operating requirements of the United States, the Contracting Officer may cause the repairs or replacements to be made and the cost thereof shall be paid

L	a report to the Contracting Officer before the 10th day of each month
2	of the quantity of water utilized for agricultural use during the
3′	preceding month.

(d) The division of diversion and Project water used for agricultural and municipal, industrial, and domestic purposes shall be determined as follows:

- (1) The total quantity of Project and diversion water used for agricultural purposes shall be that amount measured by the Agency pursuant to subdivision (c) of this article.
  - a. The Project water portion of the agricultural water shall be that quantity specified in the schedule or any revision thereof submitted by the Agency pursuant to Article 4 hereof.
  - b. The diversion water portion of the agricultural water shall be the total agricultural use less the quantity of Project water used for agricultural purposes.
- (2) The total quantity of Project and diversion water used for municipal, industrial, and domestic purposes shall be that quantity taken at the point of delivery pursuant to subdivision (a) of this article less the quantity of water used for agricultural purposes as determined pursuant to (1) of this subdivision.

control, carriage, handling, use, disposal, or distribution of such 1 water beyond such delivery point: Provided, That the United States 2 reserves the right to all waste, seepage, and return-flow water 3 derived from water taken by the Agency hereunder and which escapes or is discharged beyond the boundaries of the service area of the Agency and nothing herein shall be construed as an abandonment or a relinquishment by the United States of the right to use any such water, but this 7 shall not be construed as claiming for the United States any right as waste, seepage, or return flow to water being used pursuant to this 9 10 contract for surface irrigation or underground storage within the service area of the Agency or Districts by the Agency or Districts, or 11

those claiming by, through, or under the Agency or Districts.

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#### UNITED STATES NOT LIABLE FOR WATER SHORTAGE

8. (a) There may occur at times a shortage during any year in the quantity of diversion and Project water available to the Agency pursuant to this contract on account of drought, errors in operation, or other causes but in no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom. In any year in which such a shortage may occur, the United States reserves the right to apportion the available water supply among the Agency and others entitled under the then existing contracts to receive water from the same Project water supply. For the purposes of apportioning the

contractual commitments, the quotient thus obtained being herein referred to as the Agency's agricultural contractual entitlement.

- Agency's agricultural contractual entitlement and the result shall be the quantity of diversion and Project agricultural water required to be delivered by the United States to the Agency for the respective year, but in no event shall such quantity exceed the total quantity of diversion and Project agricultural water agreed to be accepted by the Agency pursuant to Article 3.
- (b) In the event of a shortage of water amounting to more than twenty-five percent (25%) of the contractual commitments for agricultural water, the amount of said shortage in excess of twenty-five percent (25%) shall be deducted on an equal percentage basis from the reduced contractual commitments for agricultural water resulting from the application of a twenty-five percent (25%) shortage, and the contractual commitments of contractors for municipal, industrial, and domestic water for the respective year. Insofar as determined by the Contracting Officer to be practicable, in the event a shortage appears probable the United States will notify the Agency of such determinations in advance of the irrigation season.
  - (c) Deficiencies will not be imposed on the Agency's diversion water used for municipal, industrial, and domestic purposes.

#### QUALITY OF WATER

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2 9. The operation and maintenance of Project facilities and the construction of new Project facilities for the provision of Project 3 water under this contract shall be performed in such manner as is practicable to maintain the quality of raw water to be furnished 5 hereunder. The United States is under no obligation to construct or furnish water treatment facilities to maintain or to better the quality of water except to the extent such facilities are expressly referred 8 to elsewhere in this contract as part of the Project facilities to be constructed by the United States pursuant to Reclamation law or as 10 otherwise required by law. Further, the United States does not warrant 11 the quality of water to be furnished pursuant to this contract. 12

#### OPERATION OF AGENCY"S WORKS BY AGENCY

14 10. (a) The Agency shall construct and operate its works so as 15 to be consistent with a maximum water surface elevation of one thousand one hundred and forty (1,140) feet of Auburn Reservoir above mean sea 16 level, as conclusively determined by the Contracting Officer: Provided, 17 That the United States shall not be responsible for the maintenance of 18 any particular water level in Auburn Reservoir in order to deliver the 19 amounts of water specified in Article 3: And Provided, further, That 20 the Agency shall not be precluded from subsequently constructing or 21 operating features which in the conclusive determination of the Contracting 22 Officer are consistent with the maximum water surface elevation of Auburn 23 Reservoir, as actually constructed. 24

(e) Commencing with the year following the retirement of the bonds issued for construction of the Agency's Middle Fork

American River Project works and continuing thereafter so long as those works are economically feasible for operation as a water development project, the Agency shall operate its works so as to maximize water yield of such works consistent with the irrigation or municipal, industrial, and domestic demand, or both.

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expense, if any, incurred by the selling District in handling such water plus a fair proportion of the cost of the facilities of the selling unit used in handling such water, the Agency shall pay to the United States the amount of such excess. Any such water used by the purchasing District for municipal, industrial, and domestic use shall be paid for by the Agency at the rate established pursuant to subdivision (a) of Article 6 for water for municipal, industrial, and domestic use. Any amounts coming due to the United States as a result of sales of water by one District to another District shall be paid for by the Agency prior to the delivery of such water.

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#### ADJUSTMENTS

13. The amount of any overpayment by the Agency by reason of the quantity of water actually available for the Agency during any year, as conclusively determined by the Contracting Officer, having been less than the quantity of such water which the Agency otherwise under the provisions of this contract would have been required to receive and pay for shall be applied first to any accrued indebtedness arising out of this contract then due and owing to the United States by the Agency and any amount of such overpayment then remaining shall, at the option of the Agency, be refunded to the Agency or credited upon amounts to become due to the United States from the Agency under the provisions hereof in the ensuing year.

#### CHARGES A GENERAL OBLIGATION -- LEVIES THEREFOR

- 16. (a) The Agency as a whole is obligated to pay to the United States the charges becoming due as provided in this contract notwithstanding the default in the payment to the Agency by a District or individual water users of assessments, tolls, or other charges levied by the Agency.
- 7 (b) The Agency or the Districts shall cause to be levied
  8 and collected all necessary assessments, tolls, and other charges and
  9 shall use all the authority and resources of the Agency to meet its
  10 obligations hereunder.

#### ALL BENEFITS CONDITIONED UPON PAYMENT

of land or District in the Agency's service area and necessary to meet the obligations of the Agency under this contract be judicially determined to be irregular or void, or should the Agency or its officers be enjoined or restrained from making or collecting any assessments upon such land or from such District as provided for herein, then such tract shall have no right to any water available to the Agency pursuant to this contract, except upon the payment by the landowner of his assessment or a toll charge for such water, notwithstanding the existence of any contract between the Agency and the owner or owners of such tract. Contracts between the Agency and the Districts shall provide that such

(b) No Project water shall be furnished for use by any
District during any period in which the Agency is in arrears in the
advance payment of charges accrued under this contract with respect
to such District unless the District makes the necessary payment
direct to the United States, in which event the Agency shall be
relieved of its obligation to make such payment for such year.

(c) No Project water furnished by the United States for use by any District pursuant to this contract shall be furnished by such District to lands or parties that are in arrears in the payment to such District of assessments, rates, tolls, or other charges levied or established by such District if such assessments, rates, tolls, or other charges are necessary for the purpose of raising revenues to meet the payments then due to the United States from the Agency for the District for such water.

(d) The United States may, at its option, terminate all rights of any District to be furnished Project water pursuant to this contract on sixty (60) days written notice to the Agency upon the failure of the Agency for a period of one (1) year to make any of the payments required in this contract to be made by the Agency to the United States upon behalf of such District at the times and in the manner provided if the Agency does not pay said delinquent charges within such 60-day period: Provided, however, That if the Agency or

1	BOOKS, RECORDS, AND REPORTS
2	20. The Agency shall require each District to establish and
3	maintain accounts and other books and records sufficient to enable
4	the Agency to furnish to the Bureau of Reclamation information per-
5	taining to its financial transactions, crop production, water use,
6.	and to such other matters as the Contracting Officer may require.
7	Reports thereon shall be furnished to the United States in such form
8	and on such date or dates as may be required by the Contracting
9	Officer. Each party shall have the right during office hours to
10	examine and make copies of the other party's books and official
11	records relating to matters covered by this contract.
12	CHANGES IN AGENCY OR DISTRICT ORGANIZATIONS
13	21. After execution of this contract and continuing as long as
14	this contract is in effect, no change shall be made in any District
15	with which the Agency has a water supply contract or in the Agency
16	by inclusion or exclusion of lands, by dissolution, consolidation,
17	or merger, or otherwise, except upon the Contracting Officer's writter
L8	consent thereto.
19	LAND NOT TO RECEIVE PROJECT WATER
20	FURNISHED TO AGENCY BY THE UNITED STATES UNTIL THE OWNERS THEREOF EXECUTE CERTAIN CONTRACTS
1	22. (a) No Project water made available pursuant to this
2	contract shall be furnished to any excess lands as defined in

- I from the underground, the Agency or District will not be deemed to
- 2 have furnished such Project water to said lands within the meaning
- 3 of this contract if such Project water reached the underground strata
- 4 of the aforesaid excess land as an unavoidable result of the furnishing
- of Project water by the Agency or District to nonexcess lands, or to

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6 excess lands with respect to which a recordable contract has been executed.

#### VALUATION AND SALE OF EXCESS LANDS

- 23. (a) The value of the excess irrigable lands within the Agency or District as defined in Article 24 held in private ownership 9 of large landowners, as defined in said article for the purposes of 10 this contract, shall be appraised in a manner to be prescribed by the 11 12 Secretary. At the option of the large landowner, however, the value 13 of such land may be appraised, subject to the approval thereof by the 14 Secretary, by three appraisers. One of said appraisers shall be 15 designated by the Secretary and one shall be designated by the Agency and the two appraisers so appointed shall name the third. If the 16 17 appraisers so designated by the Secretary and the Agency are unable 18 to agree upon the appointment of the third, the Presiding Justice of the Third District Court of Appeal of the State of California shall 19 20 be requested to name the third appraiser.
- 21 (b) The following principles shall govern the appraisal:

the Agency and said sale price is not in excess of the appraised value fixed as provided herein.

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- 3 (f) The Agency agrees to take all reasonable steps requested 4 by the Contracting Officer to ascertain the occurrence and conditions 5 of all sales of irrigable lands of large landowners in the Agency or 6 each District made subsequent to the execution of this contract and 7 to inform the United States concerning the same.
  - (g) A true copy of this contract, of each recordable contract executed pursuant to this article and Articles 22 and 24 hereof, and of each appraisal made pursuant thereto shall be furnished to the Agency by the United States and shall be maintained on file in the office of the Agency and in the office of each District, and like copies in such offices of the Bureau of Reclamation as may be designated by the Contracting Officer and shall be made available for examination during the usual office hours by all persons who may be interested therein.

#### EXCESS LANDS

24. (a) As used herein the term "excess land" means that part of the irrigable land in excess of one hundred and sixty (160) acres held within a District or an area identified by the Agency as being served by the Agency in the beneficial ownership of any single person, whether a natural person, a corporation, or the beneficiary of a trust approved by the Contracting Officer. With respect to land held

thereof fixed as provided herein or such lower price as may be approved by the owner of such land, subject to the same conditions on behalf of such large landowner; and the Agency shall require each District to agree that it will refuse to furnish said Project water to any large landowner other than for his nonexcess lands until such owner meets the conditions precedent herein stated; and

(2) Within thirty (30) days after the date of notice from the United States requesting such large landowner to designate his irrigable lands within the Agency or the District which he desires to designate as nonexcess lands, file in the office of the Agency or District, in duplicate, one copy thereof to be furnished by the Agency or District to the Bureau of Reclamation, his written designation and description of lands so selected to be nonexcess lands and upon failure to do so the Agency or District shall make such designation and mail a notice thereof to such large landowner, and in the event the Agency or District fails to act within such period of time as the Contracting Officer considers reasonable, such designation will be made by the Contracting Officer, who will mail a notice thereof to the Agency or District and the large landowner. The large landowner shall become bound by any such action on the part of the Agency or

# COMMINGLING OF DIVERSION AND PROJECT WATER--EXISTING WATER RIGHTS 26. (a) The provisions of Articles 22, 23, 24, and 25 shall

not apply to affect water or water rights now owned or hereafter

acquired, other than from the United States, by the Agency or by any

District or any landowner therein, nor shall this contract be con-

strued as limiting or curtailing any rights which the Agency or any

7 District or landowner therein acquires or has available to it or

8 him under the Federal reclamation laws. Diversion water may be passed

9 through facilities of the United States to facilities of the Agency

10 in the same manner as Project water furnished to the Agency pursuant

11 to this contract. Notwithstanding such commingling of water the

12 provisions of Articles 22, 23, and 24 shall be applicable to the quan-

tity of Project water furnished to the Agency pursuant to the terms

14 hereof, and such commingling of water shall not in any manner subject

15 to the provisions of Articles 22, 23, and 24 the quantity of diversion

16 water acquired by or available to the Agency.

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- (b) With respect to the facilities of the Agency or
  Districts or portions thereof in which commingling is permitted as
  provided in subdivision (a) of this article, the Agency:
  - (1) At the request of the Contracting Officer shall be responsible for the installation, operation, and maintenance of water measuring equipment at delivery points to excess lands and the Contracting Officer may check and inspect said equipment at any time; and

#### CONTINGENT ON APPROPRIATION OR ALLOTHENT OF FUNDS

work by the United States herein provided for which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress so to appropriate funds or the absence of an allotment of funds shall not relieve the Agency or any District from any obligations then accrued under this contract and no liability shall accrue to the United States in case such funds are not appropriated or allotted.

#### OFFICIALS NOT TO BENEFIT

28. (a) 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 with a corporation
or company for its general benefit.

(b) No official of the Agency or District shall receive any benefit that may arise by reason of this contract other than as a landowner within a District and in the same manner as other landowners within that District.

## ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED

31. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any part or interest therein shall be valid until approved by the Secretary.

### REMEDIES UNDER CONTRACT NOT EXCLUSIVE -- WAIVERS

any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof which it would otherwise have. Any waiver at any time by either party to this contract of its rights with respect to a default, or any matter arising in connection with this contract, shall not be deemed to be a waiver with respect to any subsequent default or matter.

#### DETERMINATIONS

- 33. (a) Where the terms of this contract provide for action to be based upon the opinion or determination of either party to this contract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations.
- (b) In the event the Agency questions any factual determination made by any representative of the Secretary as required in

origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Agency receives financial assistance from the Bureau of Reclamation and hereby gives assurance that it will immediately take any measures to effectuate this agreement.

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- (b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Agency by the Bureau of Reclamation, this assurance obligates the Agency or, in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Agency for the period during which the Federal financial assistance is extended to it by the Bureau of Reclamation.
- 15 (c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, 16 property, discounts, or other Federal financial assistance extended 17 after the date hereof to the Agency by the Bureau of Reclamation, 18 including installment payments after such date on account of arrange-19 ments for Federal financial assistance which were approved before such date. The Agency recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and

(b) The Agency or Districts will, in all solicitations or advertisements for employees placed by or on behalf of the Agency or District, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

- union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Bureau of Reclamation, advising the labor union or workers' representative of the Agency's or District's commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The Agency or District will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (e) The Agency or District will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Bureau of Reclamation and the Secretary of Labor for purposes of

Provided, however, That in the event the Agency or District becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Bureau of Reclamation, the Agency or District may request the United States to enter into such litigation to protect the interests of the United States.

#### ASSURANCE RELATING TO VALIDITY OF CONTRACT

the Agency shall file and prosecute to a final decree, including any appeal therefrom to the highest court of the State of California, in a court of competent jurisdiction, a special proceeding for the judicial examination, approval, and confirmation of the proceedings had for the organization of the Agency and the proceedings of the Agency Board of Directors and of the Agency leading up to and including the making of this contract and the validity of the provisions thereof. This contract shall not be binding on the United States until said Agency organization, proceedings, and contract shall have been so confirmed by a court of competent jurisdiction or pending appellate action if ground for appeal be laid. The Agency shall furnish to the Contracting Officer copies of such decree and of all pertinent supporting documents.



### United States Department of the Interior



IN REPLY REFER TO: MP-440 832. BUREAU OF RECLAMATION MID-PACIFIC REGIONAL OFFICE 2800 COTTAGE WAY SACRAMENTO, CALIFORNIA 95825-1898

ren 5 1988

Board of Directors Placer County Water Agency PO Box 6570 Auburn CA 95604

Subject: Letter of Agreement to Contract No. 14-06-200-5082A to Clarify Certain Contract Provisions--Central Valley Project, California

(Water Service)

Dear Board Members:

On November 21, 1988, representatives of the Placer County Water Agency (PCWA) and the Bureau of Reclamation (Reclamation) met to discuss the proposed letter of agreement sent to you on August 29, 1988. Following the discussion, some minor changes and corrections were made to that letter. This letter incorporates those changes and is forwarded for your review and approval.

Over the past several months, our respective agencies have had negotiations on possible amendments to Contract No. 14-06-200-5082A (Contract) between the United States of America (U.S.) and PCWA for water service and for diversion of water from the American River. One of the issues discussed in these meetings was whether Reclamation is obligated to sell Central Valley Project (Project) water to PCWA prior to the completion of a dam at Auburn. The representatives of Reclamation stated that they felt the Contract can be interpreted to mean that there is no such obligation, whereas your representatives are of the view that there is such an obligation.

At the March 9, 1988, negotiating session the question of the need for an amendment to the Contract at this time was raised. After giving this matter further thought, we believe it might be better to terminate the negotiations for now and wait to see what the future brings in the next several years with regard to the completion of the Auburn Dam, the PCWA's needs for water and other factors that may resolve some of the issues that have been discussed during the recent negotiating sessions.

We believe PCWA's water supply problems can be resolved, at least for several years, by the parties agreeing to do the following in lieu of entering into an amendment to the Contract:

- 1. PCWA will agree to use its full 120,000 acre-feet of diversion water, to the extent it is available each year, prior to requesting the delivery of any Project water.
- 2. Reclamation will agree to waive its rights under the Contract to limit the amounts of diversion water which PCWA can take in each year, and will permit PCWA to divert up to the maximum of 120,000 acre-feet of diversion water in any year, to the extent it is available each year.
- 3. Reclamation hereby agrees that PCWA may divert all or a portion of its diversion water out of Folsom Reservoir at places acceptable to Reclamation, provided that PCWA obtains the necessary Reclamation permits for reservoir access, follows Reclamation procedures for construction of non-Federal facilities on Reclamation property, and installs, or pays Reclamation for the installation of any facilities necessary for such diversions. Also, PCWA will have to obtain the necessary approval from the State Water Resources Control Board to add additional point of diversion and rediversion at Folsom Reservoir under the PCWA water right permits.
- 4. Reclamation will sell up to 35,000 acre-feet per year of Project water to PCWA pursuant to the schedule provided for in the Contract through the year 2001, in accordance with all the terms of the Contract, and if such water is available. It is the understanding of the parties that PCWA will not lose its right to purchase this water even if it is not yet using its full 120,000 acre-feet of diversion water, provided that PCWA pays for Project water pursuant to the terms of the Contract.
- 5. Prior to PCWA being able to purchase more than 35,000 acre-feet annually of Project water, the parties will again meet to see if they can resolve the issue of whether Reclamation is obligated to sell any such additional water to PCWA prior to the completion of a dam at Auburn, and that both the U.S. and PCWA agree that if this issue cannot be resolved without litigation by January 1, 2002, and either party files an action by January 1, 2002, in any court of competent jurisdiction to litigate that issue, the other party will not assert any defenses based upon statutes of limitations, laches, or on any other basis relating to the timing of the bringing of such action. The parties agree that this letter and any agreements reached by the parties pursuant thereto, or any actions of either party pursuant thereto, will not be used as evidence of the proper interpretation of the Contract should the meaning of the Contract subsequently be disputed by the other party, it being the intention of the parties simply to avoid litigating PCWA's rights to purchase Project water under the Contract at this time.

6. Reclamation and PCWA agree to amend the Contract on or before June 30, 1989, to conform the water rates specified in Article 6 to the requirements of Public Law 99-546 and the current water ratesetting policies of the Project.

If PCWA is in agreement to proceeding on the basis outlined in items 1 through 6 above, please sign the duplicate copy of this letter and return it along with a certified copy of a District Board resolution authorizing PCWA officials to sign the agreement to Reclamation.

Sincerely,

NEIC W. SCHILD ACTING REGIONAL DIRECTOR

In duplicate

Placer County Water Agency

President

Secretary Secretary

10-15-88

Date



### United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

80-297-6

MP-440 WTR-4.00

JUL 0 8 1992



Board of Directors
Placer County Water Agency
Attention: Barbara Sloan
PO Box 6570
Auburn CA 95604

Placer County Water Agency

Subject: Amendatory Contract No. 14-06-200-5082A - Central Valley Project (Water Service Contract)

Dear Board Members:

Enclosed is one executed original of Amendatory contract No. 14-06-200-5082A between the United States and Placer County Water Agency to provide for the current Central Valley Project water rates.

Sincerely,

Roger K. Patterson Regional Director

Enclosure

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CC: P. andra

R.O. Draft 04/10/1989 Rev. R.O 09/27-1991

Amendatory Contract No. 14-06-200-5082A

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION

AMENDATORY CONTRACT BETWEEN THE
UNITED STATES OF AMERICA AND
PLACER COUNTY WATER AGENCY

in pursuant generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including Section 105 of Public Law 99-546, all collectively hereinafter referred to as the Federal Reclamation laws, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, and PLACER COUNTY WATER AGENCY, hereinafter referred to as the Agency, a political subdivision of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in Auburn, California,

WITNESSETH, THAT;

WHEREAS, on September 18, 1970, the United States and the Agency entered into Contract No. 14-06-200-5082A, hereinafter referred to as the original contract;

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is hereby agreed as follows:

1. Subdivisions (a) and (b) of Article 6 of the original contract are deleted in their entirety and the following is substituted in lieu thereof:

- 6. (a) The rate of payment to be made by the Agency for water made available pursuant to this contract beginning January 1, 1992, shall be:
  - (1) \$6.36 per acre-foot for agricultural water: Provided,

    That this rate shall be redetermined annually in accordance with

    Reclamation law and the then current agricultural rate policy of the Project.
  - (2) \$11.46 per acre-foot for M&I water: <u>Provided</u>, That this rate shall be redetermined annually in accordance with Reclamation law and the then current M&I rate policy of the Project.
- (b) The Contracting Officer shall advise the Agency of the method by which the Agency shall submit payments to the United States. The method could be by check, lock-box arrangement, or wire transfer directly to the Treasury Financial Communications System (TFCS).
- 2. Subdivision (c) of Article 6 of the original contract is deleted in its entirety and the subsequent subdivisions of that Article are redesignated (c), (d), and (e) respectively.
- 3. Except as modified herein, the original contract shall remain in full force and effect as originally written and executed.

#### OFFICIALS NOT TO BENEFIT

4. No member of or Delegate to Congress, Resident Commissioner or official of the Agency shall benefit this amendatory contract other than as a water user or landowner in the same manner as other water users or landowners.

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

THE UNITED STATES OF AMERICA

ACTING FOR

Regional Director, Mid-Pacific Region Bureau of Reclamation

PLACER COUNTY WATER AGENCY

(SEAL)

Attest:

By Walty & Frehenill

**KMPLACER**