

**AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND  
SAN JUAN WATER DISTRICT FOR A SUPPLY OF WATER**

THIS AGREEMENT is made and entered into this 7<sup>th</sup> day of February, 2001, by and between the City of Roseville, a municipal corporation, ("City") and San Juan Water District, a public water agency in Placer County ("San Juan"); and

**RECITALS:**

A. City has received requests for the annexation of the Doctors Ranch and Foothills Business Park areas (collectively, "Annexation Areas") to the City.

B. Doctors Ranch is currently within the Placer County Water Agency's ("PCWA") sphere of influence, and PCWA has indicated that existing water supplies have not been allocated for this area.

C. Foothills Business Park is within PCWA's Zone 1 retail service area.

D. A portion of the Foothills Business Park lies south of the Pleasant Grove Creek wetland/riparian habitat corridor ("South FBP").

E. PCWA could provide water service to South FBP, but would have to cross Pleasant Grove Creek wetland/riparian habitat corridor to do so.

F. City has water facilities adjacent to South FBP that could be used to serve South FBP without crossing Pleasant Grove Creek wetland/riparian habitat corridor.

G. City has been requested to supply water to the Doctors Ranch area and South FBP as described in Exhibit A, attached hereto and incorporated herein, (collectively, "Annexation Area").

H. City has contracts and options with PCWA for up to 30,000 acre feet per year of MFP Water and a contract with the United States Bureau of Reclamation ("USBR") for 32,000 acre feet per year of Central Valley Project ("CVP") water.

I. To meet increased anticipated water needs in the Annexation Area, City needs additional water supplies.

J. San Juan has a contract, including amendments thereto ("PCWA Contract"), for the supply of 25,000 acre feet per year from PCWA.

K. San Juan has entered into a contract with the USBR for the conveyance of PCWA Contract Water from Folsom Reservoir to San Juan's water treatment plant (Warren Act Contract No. 6-07-20-W1315; "Warren Act Contract").

L. Water under the PCWA contract may be available on a long-term basis that could be used to meet demands in PCWA's service area, anywhere within the City ("City Service Area"), or any other area of mutual benefit, provided the user complies with the terms of the PCWA Contract and San Juan's purveyor specific requirements pursuant to the January 2000 Water Forum Agreement ("Water Forum Agreement"). San Juan is willing to make 800 acre feet per year of surface water under its PCWA Contract available for delivery to City ("Surface Water") for use within the City Service Area.

M. City and San Juan, among other water purveyors, are signatories to, and have committed to honor the obligations and restrictions imposed by, the Water Forum Agreement.

N. Pursuant to the Water Forum Agreement, San Juan has the right to divert the full amount under its PCWA Contract supply in most years, but is limited in driest years to its 1995 baseline level of use at 10,000 acre feet. San Juan expects to rely on groundwater supplies to offset reductions in its surface water supplies pursuant to the Water Forum Agreement.

O. Under the Water Forum Agreement, City identified 54,900 acre feet of water as the requirement to meet build-out demand within the City, excluding the Annexation Areas, and any remaining entitlement of the City may be needed to meet CVP shortages in dry years and/or released to mitigate for future diversions above 1995 baseline levels.

P. San Juan has taken the lead in developing a Regional Water Master Plan with a focus

directed toward implementing the Water Forum Agreement.

Q. San Juan intends to maximize its conjunctive use efforts with all available sources of water supply, of which the PCWA Contract is a major source.

R. City and San Juan desire to put 800 acre feet per year of San Juan's Surface Water to beneficial use as specified below.

NOW, THEREFORE, the Parties agree as follows:

1. Obligation To Provide A Supply Of Water. San Juan shall commit and provide 800 acre feet per year of its Surface Water to City for beneficial use within City's Service Area subject to the terms of this Agreement. Nothing in this Agreement shall be construed to require San Juan to provide more than 800 acre feet of its Surface Water to City, or water from any source other than the PCWA Contract.

2. Point Of Delivery To City. All water furnished pursuant to this Agreement shall be delivered by San Juan to the Hinkle Wye facility located at Folsom Dam or such other facility or diversion point as may become available to City ("Delivery Point"). City shall be responsible for delivery of water from the Delivery Point.

3. Approvals For And Scheduling Of Surface Water.

A. Approvals And Reimbursement Of Costs. San Juan shall, within a reasonable time not to exceed six months following the execution of this Agreement, enter into any and all necessary arrangements with PCWA and/or the USBR under the Warren Act contract, by contract or otherwise, to cause Surface Water to be made available at the Delivery Point. During the Term of this Agreement, San Juan shall, coordinate San Juan's activities with PCWA and/or USBR as necessary for City to divert Surface Water at the Delivery Point. City shall reimburse all of San Juan's reasonable costs incurred in performing the obligations set forth in this article. The City shall also reimburse San Juan for all costs incurred by San Juan under the Water Forum Agreement that are attributable to the delivery of Surface Water to the City under this Agreement. San Juan shall

identify the basis for all reasonable costs billed to the City.

B. Scheduling By San Juan. San Juan shall, upon request of City, make Surface Water available to City by scheduling and coordinating with PCWA and USBR the release and delivery of Surface Water to the Delivery Point, in an amount and at such times requested by City. San Juan shall send written confirmation of water scheduled with PCWA and USBR to City prior to when such scheduled deliveries shall take place.

C. Scheduling By City. City may schedule the diversion of Surface Water for beneficial use within City's Service Area following execution of this Agreement. City shall schedule the diversion of Surface Water with San Juan in advance, on a quarterly basis, on or before July 1, October 1, January 1, and April 1 of each calendar year. For example, deliveries beginning on October 1 shall have been scheduled on or before the preceding July 1. Excluding those deliveries specified in Article 7, the maximum amount that may be scheduled in any quarter shall be 250 acre feet. A failure of City to schedule water for any period(s) during the Term of this Agreement shall not relieve San Juan of the obligation to resume deliveries or schedule deliveries with PCWA and/or the USBR upon resumption of scheduling by City.

4. Measurement. Water scheduled by City for delivery from San Juan shall be presumed delivered pursuant to this Agreement, so long as San Juan has caused Surface Water to be made available in accordance with Article 3. Currently, a method does not exist by which Surface Water may be measured and/or directly delivered to the Annexation Area absent commingling Surface Water with other water in City's water delivery system. City may use Surface Water anywhere within the City Service Area. The Parties may agree to an alternative system of measurement of Surface Water delivered under this Agreement by subsequent mutual written agreement. City, at its sole expense, shall be responsible for the cost of compliance with any measurement requirements imposed pursuant to obtaining the approvals specified in Article 3A of this Agreement, or otherwise required as a condition of San Juan delivery of Surface Water to City.

5. Rate Of Payment. City shall pay (a) the direct pass-through rate paid by San Juan for 800 acre-foot per year of Surface Water per year, irrespective of whether City schedules all or only a portion to be delivered in accordance with Article 3 or whether the amount of Surface Water

delivered to the City in any year is reduced pursuant to Articles 7 or 9 of this Agreement (i.e., City shall pay for 800 acre feet per year of Surface Water at the same rate for Surface Water as San Juan would have paid PCWA had San Juan diverted the Surface Water for use within San Juan's own service area), (b) 5 percent of that amount to cover San Juan's administrative costs for administering this Agreement, (c) reimbursement of costs referred to in Article 3A, (d) power costs, if any, incurred by San Juan directly associated with and incurred for the wheeling of Surface Water to the Delivery Point, and (e) any wheeling charges incurred by San Juan under the Warren Act contract directly associated with and incurred for wheeling of Surface Water to the City Delivery Point. In the event that San Juan does not deliver Surface Water to City pursuant to the provisions of Article 9 of this Agreement, San Juan may be able, under the provisions of the Water Forum Agreement, to receive compensation for foregoing diversion of that quantity of water and putting it to beneficial use downstream of the confluence of the lower American River and the Sacramento River ("Transfer Revenues"). During a year in which San Juan does not deliver Surface Water to City pursuant to the provisions of Article 9 of this Agreement, and San Juan receives Transfer Revenues for putting that quantity of water that year to beneficial use downstream of the confluence of the lower American River and the Sacramento River, then San Juan shall credit the amount of Transfer Revenues received by San Juan toward the payments that would be due from the City to San Juan under this Article for that year, which credit shall not exceed the amount of payments due under this Article that year.

6. Method Of Payment. Payments for Surface Water delivered under this Agreement shall commence with the first scheduling of delivery of Surface Water by City in accordance with Article 3, and shall be paid in advance to San Juan on a quarterly basis. Payments shall be made on January 1, April 1, July 1, and October 1 of each calendar year. For example, deliveries beginning on April 1 shall have been paid for at any time prior to April 1. City shall pay other reimbursable expenses provided for under this Agreement within thirty days of receiving an invoice from San Juan.

7. Reductions And Discontinuance In Supply Of Water. In the event a reduction or discontinuance of water delivered occurs due to maintenance, repair, replacement, investigation or inspection of any facilities necessary for the furnishing or storage of Surface Water to City, no liability shall accrue against either Party or any of its respective officers, agents or employees for any

damage, direct or indirect, arising from such reduction or discontinuance. Upon resumption of delivery after such reduction or discontinuance, City may divert the quantity of Surface Water that would have been delivered hereunder in the absence of such reduction or discontinuance.

8. Facility Improvements.

A. City shall pay the sum of payment \$335,000.00 to San Juan for system improvements to improve water supply reliability and conjunctive use of surface water and groundwater within San Juan's service area. City intends to use funds from the following sources to make that payment: (1) in anticipation of a development agreement between City and Doctors Ranch, Doctors Ranch shall contribute \$250,000.00 to City towards San Juan's system reliability improvement projects; and (2) in anticipation of a development agreement between City and FBP, FBP shall contribute \$85,000.00 to City towards San Juan's system reliability improvement projects. The payment required under this Article from City to San Juan shall not be conditioned on City receiving funds from these sources. City shall pay San Juan \$50,000 upon execution of this Agreement, and \$285,000 at the time City schedules the first delivery of Surface Water under Article 3C.

B. City shall design and construct a groundwater well for a potable water supply to be located in the North Roseville area ("Well Project"). City shall operate and maintain the Well Project as a source of water for the City Service Area during times when Surface Water is not available from San Juan under Articles 7 or 9 of this Agreement.

9. Compliance With Water Forum Agreement. In the event San Juan, reduces its diversion in any year from the American River pursuant to the Water Forum Agreement, San Juan may, in the reasonable exercise of its discretion deliver no Surface Water to the City that year, in which case, the City shall use the Well Project or water from other sources to provide water service to the City Service Area.

10. Water Quality. All Surface Water diverted to City under this Agreement shall be raw (untreated) water, unless the Parties agree otherwise by written mutual agreement.

11. Indemnification. Each Party shall defend, indemnify, and hold harmless the other Party, its officers, agents and employees from all claims, lawsuits or actions for personal injury, bodily injury (including death), or property damage arising from or out of any intentional or negligent act or omission of the indemnitor, save and except those matters arising from the sole, active negligence of the indemnitee. This indemnification specifically includes, but is not limited to, claims, lawsuits, actions or damages arising from or related to the quality or quantity of water delivered pursuant to this Agreement, but not to claims or damages arising from the control, handling, carriage, or distribution of Surface Water beyond the Delivery Point. The Parties intend that this article shall be broadly construed to effectuate its purpose.

12. Term; Termination And Amendment. The term of this Agreement shall be the same as the term of the PCWA Contract and Warren Act Contract, except that, by written mutual agreement, the Parties may terminate this Agreement as of an earlier date. The Parties may amend or modify this Agreement only upon written mutual agreement.

13. Assignment. Neither Party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other Party, which shall not be unreasonably withheld, except that, San Juan may withhold approval of a request from the City to use Surface Water outside the City Service Area. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this article shall be void.

14. Waiver Of Rights. Any waiver at any time by either Party hereto of its rights with respect to a breach, default or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

15. Attorney's Fees and Venue. In any action brought by either Party to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

16. Integrated Agreement. This is an integrated Agreement and contains all of the terms,

considerations, understandings and promises of the Parties. It shall be read as a whole.

17. Notices. All notices, invoices, reports, payments or other communications to Parties required by this Agreement shall be given delivered or mailed, U.S. First Class postage prepaid and addressed as follows:

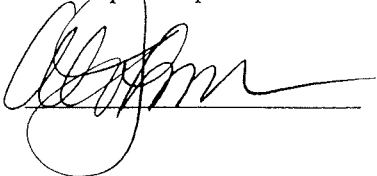
City of Roseville  
Environmental Utilities Director  
2005 Hilltop Circle  
Roseville, CA 95747

San Juan Water District  
General Manager  
P.O. Box 2157  
Roseville CA 95746-2157

18. Inspection Of Books And Records. The proper officers and agents of City shall have full and free access at all reasonable times to the account books and official records of San Juan insofar as the same pertain to the matters and things provided for in this Agreement, with the right at any time during office hours to make copies thereof at City's expense, and the proper representatives of San Juan shall have similar rights in respect to the account books and records of City.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. 01-32, adopted by the City of Roseville on the 7th day of Feb., 2001, and the San Juan Water District has authorized the execution of this Agreement by the Chair of its Board of Directors and attested to by its Secretary by its Resolution No. \_\_\_\_\_, adopted by the Board of Directors of the District on \_\_\_\_\_ day of \_\_\_\_\_, 2001.

CITY OF ROSEVILLE, a  
municipal corporation.



SAN JUAN WATER DISTRICT

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ALLEN E. JOHNSON  
City Manager

DOROTHY KILGORE  
President, Board of Directors

ATTEST:


ATTEST:

  
CAROLYN PARKINSON  
City Clerk

  
Secretary



APPROVED AS TO FORM

  
MARK J. DOANE  
City Attorney

APPROVED AS TO SUBSTANCE

  
DERRICK WHITEHEAD  
Environmental Utilities Director

DOCTORS RANCH  
ANNEXATION AREA

CITY WATER  
(TYPICAL)

FOOTHILLS BUSINESS  
PARK  
ANNEXATION AREA

PCWA ZONE 1

SOUTH (FBP)

SOUTH (FBP)



CITY OF ROSEVILLE



NORTH

Scale: NONE  
THE SOURCE WATER USE CONTRACT

SERVICE AREA  
BOUNDARY

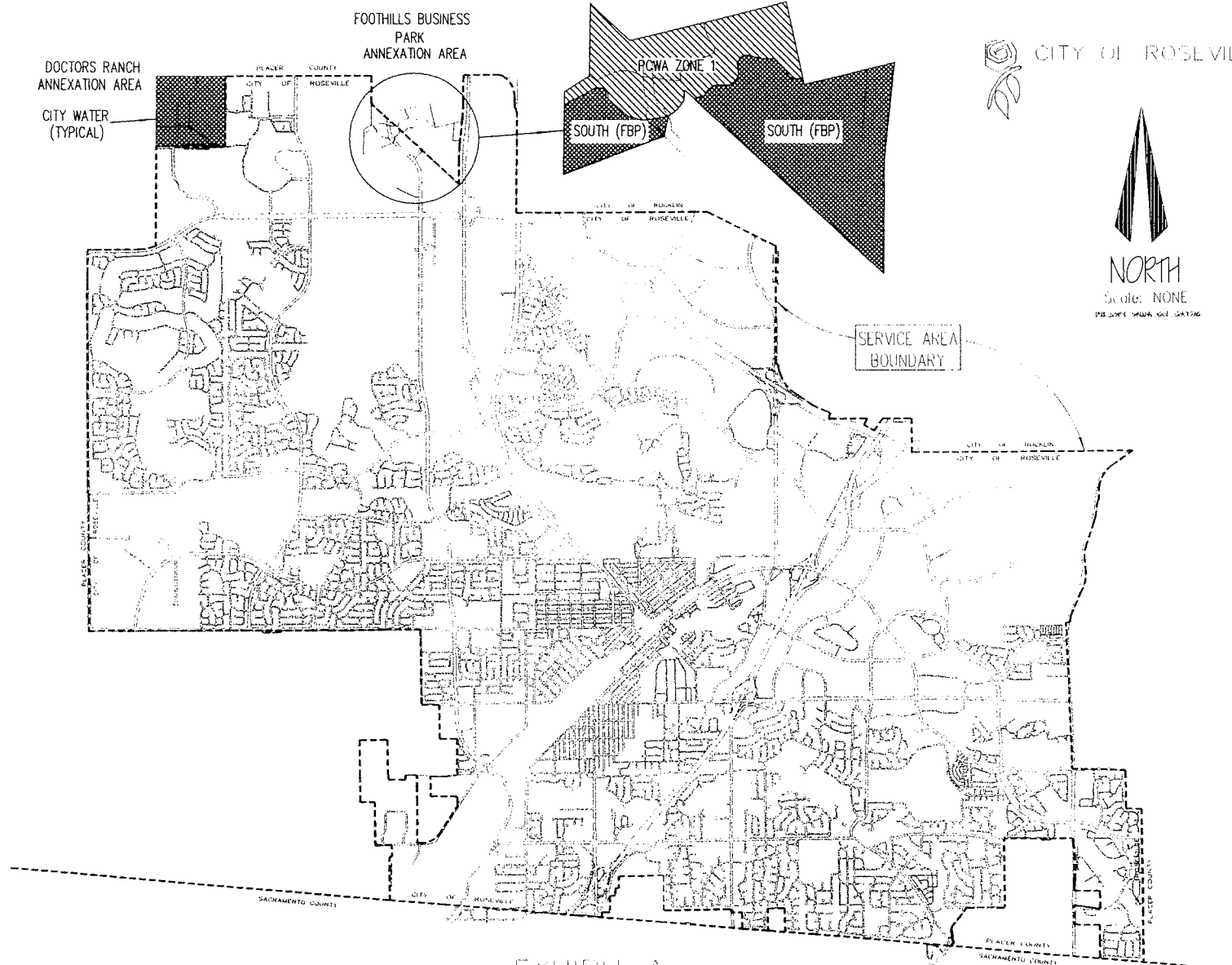


EXHIBIT A

SAN JUAN SURFACE WATER AGREEMENT