

FIRST AMENDMENT TO
AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND
SAN JUAN WATER DISTRICT FOR ADDITIONAL SUPPLY OF WATER

Recitals

WHEREAS, on or about February 25, 2004, the City of Roseville, a municipal corporation ("City"), and San Juan Water District, a public water agency in Placer County ("San Juan"), entered into that certain Agreement Between the City of Roseville and San Juan Water District for Additional Supply of Water (the "Agreement"); and

WHEREAS, City has requested that San Juan modify the timing for the payment required of City pursuant to Section 11 of the Agreement;

NOW, THEREFORE, the Agreement is hereby amended as follows:

Amendment

1. Section 11 of the Agreement is deleted and replaced with the following text:

11. Payments to San Juan in Recognition of San Juan's Water Conveyance and Conservation Measures. In recognition of San Juan's Water Conveyance and Conservation Measures, which have helped to contribute to making Transfer Water available for use by City under this Agreement, City will pay the sum of \$1,340,000 to San Juan. Such principal amount shall be due, together with interest accrued thereon from May 25, 2004 until paid in full, within 15 days following the earlier of (a) expiration of all statutes of limitation, appeal periods or tolling periods applicable to legal actions challenging (i) City's approval of the West Roseville Specific Plan Final Environmental Impact Report (EIR), or (ii) City's approvals of the general plan amendment, development agreements and other related approvals made concurrently with the EIR approval, or (iii) Placer County Local Agency Formation Commission approval of the West Roseville Specific Plan annexation; (b) entry of final judgment pursuant to a settlement agreement for all such legal actions; or (c) filing

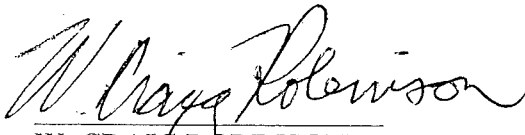
of a request for dismissal with prejudice for such legal actions. However, payment shall not be required sooner than 60 days after the Executive Director of LAFCo executes a certificate of completion for the annexation. Accrual of interest shall be at San Juan's average investment rate. Monthly, San Juan shall inform City of such interest rate, and in no event shall the interest rate exceed an annual rate of 7%.

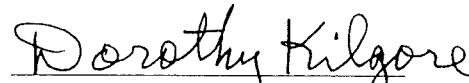
2. Except as expressly modified herein, the Agreement shall remain unchanged and in full force and effect.

This Amendment is executed this 7th day of July, 2004 in Roseville, California.

CITY OF ROSEVILLE, a
municipal corporation.

SAN JUAN WATER DISTRICT, a
public water agency in Placer County


W. CRAIG ROBINSON
City Manager


DOROTHY KILGORE
President, Board of Directors

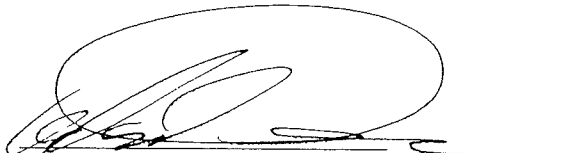
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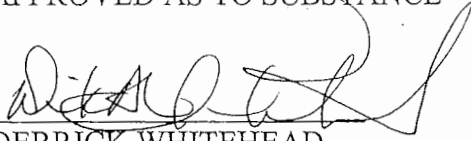

SONIA OROZCO
City Clerk


SUE MAKIMOTO
Secretary

APPROVED AS TO FORM


MARK J. DOANE
City Attorney

APPROVED AS TO SUBSTANCE

A handwritten signature in black ink, appearing to read "Derrick Whitehead", written over a horizontal line.

DERRICK WHITEHEAD
Environmental Utilities Director

RESOLUTION NO. 04-274

APPROVING A FIRST AMENDMENT TO THE AGREEMENT BETWEEN CITY OF ROSEVILLE AND SAN JUAN WATER DISTRICT AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a first amendment to agreement for additional supply of water, between City of Roseville and San Juan Water District has been reviewed by the Council;

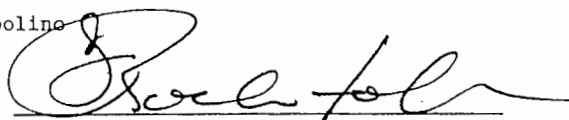
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this 7th day of July, 2004, by the following vote on roll call:


AYES COUNCILMEMBERS: John Allard, Richard Roccucci, Jim Gray, Rocky Rockholm

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: Gina Garbolino

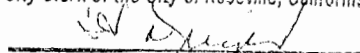

MAYOR

ATTEST:


City Clerk

*The foregoing instrument is a correct copy
of the original on file in this office.*

ATTEST:
City Clerk of the City of Roseville, California


DEPUTY CLERK

AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND
SAN JUAN WATER DISTRICT FOR TRANSFER OF WATER

THIS AGREEMENT is made and entered into this 25th day of February, 2004, 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. San Juan and City entered into an agreement dated February 7, 2001 ("2001 City-San Juan Water Supply Agreement"), under which San Juan provides City 800 acre-feet per year of water under San Juan's water supply contract with Placer County Water Agency ("PCWA") dated December 7, 2000 (the "PCWA Contract"). The PCWA Contract makes available to San Juan a supply of 25,000 acre-feet per year through 2021, and is subject to renewal.

B. City has contracts and options with PCWA for up to 30,000 acre feet per year of Middle Fork Project 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.

C. City desires to supplement the water supply available within the boundaries of the City, as they may be revised from time to time ("City Service Area") to meet increased anticipated water needs in the City Service Area.

D. 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").

E. The Water Forum Agreement ("Water Forum Agreement") is an integrated package of actions that provides a safe and reliable water supply for the region's economic health and planned development, while preserving the fishery, wildlife, recreational and aesthetic values of the Lower American River. City and San Juan are signatories to the Water Forum

Agreement. Each of the water purveyors (including City and San Juan) who have executed the Water Forum Agreement has agreed to a specific plan ("Purveyor-Specific Agreement") that sets forth the manner in which it will comply with the Water Forum Agreement. The respective Purveyor-Specific Agreements of City and San Juan are set forth in Exhibit A to this Agreement.

F. 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 has agreed in its Purveyor-Specific Agreement that it will rely on groundwater supplies to offset reductions in its surface water supplies pursuant to the Water Forum Agreement.

G. Water under the PCWA Contract may be available on a long-term basis for use to meet demands in PCWA's service area, anywhere within the 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 Agreement. San Juan is willing to make 3,200 acre-feet of water ("Transfer Water") per year under this Agreement for use within the City Service Area (in addition to the 800 acre-feet of water per year provided to City by San Juan under the 2001 City-San Juan Water Supply Agreement) for delivery to City for use within the City Service Area.

H. Under the Water Forum Agreement, City identified 54,900 acre feet of water as the requirement to meet build-out demand within the City, 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.

I. San Juan has taken the lead in developing a Regional Water Master Plan with a focus directed toward implementing the Water Forum Agreement through conjunctive use projects identified in the Master Plan.

J. San Juan intends to maximize its conjunctive use efforts with all available sources of water supply, including water available under the PCWA Contract.

K. San Juan and City jointly use facilities to divert and convey water from Folsom Reservoir, and they have made significant expenditures, and expect to make additional expenditures in the future, to improve the capacity and reliability of the facilities used to deliver water supplies to them. In addition, San Juan has expended substantial amounts of money to improve its water conveyance facilities and to implement water conservation measures, which actions have contributed to making water entitlement under the PCWA Contract available for use by City, as proposed in this Agreement. San Juan's activities described in this recitals are referred to as "San Juan's Water Conveyance and Conservation Measures."

L. City and San Juan desire under this Agreement to put the 3,200 acre feet per year of San Juan's Transfer Water to beneficial use within the City Service Area in accordance with the terms of this Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. Obligation to Provide a Supply of Water. Subject to compliance with Section 20 and the other terms and conditions of this Agreement, San Juan will provide 3,200 acre-feet per year under this Agreement of Transfer Water to City for beneficial use within the City Service Area subject to the terms of this Agreement. Nothing in this Agreement will be construed to require San Juan to provide more than 3,200 acre-feet per year of its Transfer Water to City, or water from any source other than the PCWA Contract. (The 3,200 acre-feet per year of Transfer Water provided under this Agreement will be in addition to the 800 acre-feet per year of water provided by San Juan to City under the 2001 City-San Juan Water Supply Agreement.)

2. Point of Delivery to City. The Transfer Water furnished under this Agreement will be delivered by San Juan to the Hinkle Wye facility or such other facility or diversion point as may become available to City or San Juan ("Delivery Point"). City will be responsible for delivery of Transfer Water from the Delivery Point.

3. Approvals for and Scheduling of Transfer Water.

A. Approvals and Reimbursement of Costs. During the Term of this Agreement, San Juan will coordinate San Juan's activities with PCWA and/or USBR as necessary for City to divert Transfer Water at the Delivery Point. The City will reimburse San Juan for all reasonable costs incurred by San Juan under this Agreement and the Water Forum Agreement that are attributable to the delivery of Transfer Water to the City under this Agreement, within thirty days of receiving an invoice from San Juan. San Juan will identify the basis for all reasonable costs billed to the City.

B. Scheduling by San Juan. San Juan will, upon request of City, make Transfer Water available to City by scheduling and coordinating with PCWA and USBR the release and diversion of Transfer Water to the Delivery Point in an amount and at such times as requested by City. San Juan will send written confirmation of water scheduled with PCWA and USBR to City prior to such scheduled deliveries.

C. Scheduling by City. City may schedule the diversion of Transfer Water for beneficial use within City's Service Area following execution of this Agreement, provided that, City will not schedule the initial delivery of Transfer Water under this Agreement until the City has first (1) certified to the District that the Well Projects referred to in Section 9 have been installed and are operational, and (2) scheduled for delivery the 800 acre-feet of water provided by San Juan to City under the 2001 City-San Juan Water Supply Agreement. City will schedule the diversion of Transfer Water with San Juan in advance, on a quarterly basis, on or before January 1, April 1, July 1 and October 1 of each calendar year. For example, deliveries beginning on October 1 will have been scheduled on or before the preceding July 1. Excluding those deliveries specified in Section 7, the maximum amount that may be scheduled in any quarter under this Agreement will be 800 acre feet. A failure of City to schedule water for any period(s) during the Term of this Agreement will 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. City may use Transfer Water anywhere within the City Service Area. The Parties may agree to an alternative system of measurement of Transfer Water

delivered under this Agreement by subsequent mutual written agreement. City, at its sole expense, will be responsible for the cost of compliance with any measurement requirements imposed pursuant to obtaining the approvals specified in Section 3A of this Agreement, or otherwise required as a condition of San Juan's delivery of Transfer Water to City.

5. Payments For Surface Water.

A. Commencement of Payment Obligations. City's obligation to make the payments for Transfer Water provided for in this Agreement will commence with the first scheduling of delivery of Transfer Water by City in accordance with Section 3, and will continue thereafter throughout the term of this Agreement, irrespective of whether City schedules all or only a portion of the quantity of Transfer Water to be delivered in accordance with Section 3 of this Agreement.

B. Water Deemed Delivered. Water scheduled by City for delivery from San Juan will be presumed delivered pursuant to this Agreement, so long as San Juan has caused Transfer Water to be made available in accordance with Section 3, except that, City will be obligated to pay for Transfer Water that San Juan would have made available to City but for the reductions provided for in Section 8 of this Agreement.

C. Payments for Surface Water. In addition to the reimbursement of costs incurred by San Juan under Section 3A of this Agreement, City will pay to San Juan: (a) the direct pass-through rate paid by San Juan for 3,200 acre-feet per year of Transfer Water, irrespective of whether City schedules all or only a portion to be delivered in accordance with Section 3 (i.e., City will pay for 3,200 acre-feet per year of Transfer Water at the same rate for Transfer Water as San Juan would have paid PCWA had San Juan diverted the Transfer Water for use within San Juan's own service area), (b) five percent of that amount to cover San Juan's administrative costs for administering this Agreement, (c) power costs, if any, incurred by San Juan directly associated with and incurred for the wheeling of Transfer Water to the Delivery Point, and (d) any wheeling charges incurred by San Juan under the Warren Act contract directly associated with and incurred for wheeling of Transfer Water to the City Delivery Point.

D. Credits Against Certain Payments. In the event that San Juan does not deliver Transfer Water to City pursuant to the provisions of Section 8 of this Agreement, San Juan may be able, under the provisions of the Water Forum Agreement, to receive revenue (net of reasonable costs incurred to implement the transfer) 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 Transfer Water to City pursuant to the provisions of Section 8 of this Agreement, and to the extent that San Juan receives Transfer Revenues for putting the Transfer Water that year to beneficial use downstream of the confluence of the lower American River and the Sacramento River, then San Juan will credit a pro rata (i.e., the quantity of Transfer Water that is transferred compared to the total quantity of water transferred that year by San Juan) of the amount of Transfer Revenues received by San Juan toward the payments that would be due from the City to San Juan under this Section for that year, which credit will not exceed the amount of payments due under this Section that year.

6. Schedule for Payments. Payments provided for in Section 5 of this Agreement will be made by City to San Juan in advance on January 1, April 1, July 1 and October 1 of each calendar year. For example, payment for deliveries beginning on April 1 must be made at any time prior to April 1.

7. Reductions and Discontinuance in Supply of Water. In the event a reduction or discontinuance of Transfer Water delivered occurs due to maintenance, repair, replacement, investigation or inspection of any facilities necessary for the furnishing or storage of Transfer Water to City, no liability will 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 Transfer Water that would have been delivered hereunder in the absence of such reduction or discontinuance.

8. 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 Transfer Water to the City that year, in which case, the City will use the Well Projects referred to in Section 9 or water from other sources to provide water service to the City Service Area.

9. City Well Projects. City will design and construct groundwater wells for a potable water supply to be located in the City's Service Area ("Well Projects") with water production capacity sufficient to provide an alternative water supply within the City Service Area during times when Transfer Water is not available from the District under this Agreement. City will operate and maintain the Well Projects as a source of water for the City Service Area during times when Transfer Water is not available from San Juan under Sections 7 and 8 of this Agreement.

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

11. Payments to San Juan in Recognition of San Juan's Water Conveyance and Conservation Measures. In recognition of San Juan's Water Conveyance and Conservation Measures, which have helped to contribute to making Transfer Water available for use by City under this Agreement, City will pay the sum of \$1,340,000 to San Juan within 90 days following the effective date set forth in the preamble to this Agreement.

12. Indemnification. Each Party will 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 ("Indemnification"). This Indemnification specifically includes, but is not limited to, claims, lawsuits, actions or damages (including reasonable attorneys' fees and litigation costs) arising from or related to the quality or quantity of water delivered pursuant to this Agreement. City will provide Indemnification to San Juan with respect to claims arising from the delivery of Transfer Water past the Delivery Point. The Parties

intend that this section will be broadly construed to effectuate its purpose.

13. Term; Termination and Amendment. The term of this Agreement will be the same as the term of the PCWA Contract and Warren Act Contract, including any renewal thereof, provided that, this Agreement will be subject to renegotiation by the parties in the event that (a) City has failed to put all of the Transfer Water to beneficial use within the City Service Area by December 31, 2016; or (b) the quantity of water provided for under the PCWA Contract is reduced in a renewal of the term of the PCWA Contract. This Agreement will be subject to termination by a Party following a material breach by the other Party. The Parties will consult with each other for a period of time not less than thirty days prior to terminating this Agreement, for the purpose of attempting to resolve a dispute that would be a basis for terminating this Agreement. The Parties may amend or modify this Agreement only upon written mutual agreement.

14. Assignment. Neither Party to this Agreement will assign any of its rights or obligations under this Agreement, except with the prior written consent of the other Party, which will not be unreasonably withheld, except that San Juan may withhold approval of a request from City to use Transfer Water outside the City Service Area. No assignment of this Agreement will 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 section will be void.

15. No 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, will not be deemed to be a waiver with respect to any other breach, default or matter.

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

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

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

18. Notices. All notices, invoices, reports, payments or other communications to Parties required by this Agreement will be (a) sent by electronic mail if the receiving party confirms receipt, or (b) personally delivered, (c) 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

19. Inspection of Books and Records. The proper officers and agents of City will have full and free access at all reasonable times to the account books and official records of San Juan insofar as they 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 will have similar rights with respect to the account books and records of City.

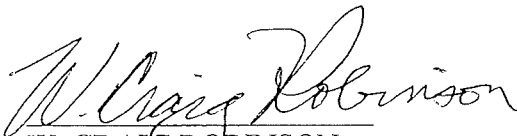
20. CEQA Compliance. City will be the "lead agency" under the California Environmental Quality Act ("CEQA") with respect to the transfer of Transfer Water under this Agreement ("Project"). San Juan was a "responsible agency" under CEQA with respect to the Project. City has approved and certified a final CEQA compliance document for the Project, and San Juan has considered the City's CEQA document in carrying out San Juan's duties as a responsible agency under CEQA with respect to the Project. City will reimburse San Juan for the reasonable costs incurred by San Juan for complying with CEQA under this Agreement (including without limitation reasonable attorney's fees and consultant costs incurred in defending a legal challenge with respect to CEQA compliance under this Agreement), within thirty days of receiving an invoice from San Juan. San Juan will identify the basis for all costs

billed to 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. 04-38, adopted by the City of Roseville on the 4th day of Feb, 2008, 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. 04-08, adopted by the Board of Directors of the District on 25th day of Feb, 2008.

CITY OF ROSEVILLE, a
municipal corporation.

SAN JUAN WATER DISTRICT, a
public water agency in Placer County


W. CRAIG ROBINSON
City Manager


DOROTHY KILGORE
President, Board of Directors

ATTEST:

ATTEST:


SONIA OROZCO
City Clerk

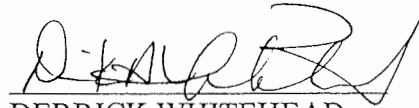

SUE MAKIMOTO
Secretary

APPROVED AS TO FORM



MARK J. DOANE
City Attorney

APPROVED AS TO SUBSTANCE



DERRICK WHITEHEAD
Environmental Utilities Director

Exhibit A – San Juan Water District’s Purveyor Specific Agreement

SAN JUAN WATER DISTRICT CONSORTIUM

(Includes Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District, and a portion of the City of Folsom)

A. INTRODUCTION

The San Juan Consortium service area is comprised of the San Juan Water District located in both Sacramento and Placer Counties, Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Orange Vale Water Company (OVWC), and a portion of the City of Folsom. These referenced Districts and the relevant portion of the City of Folsom are hereinafter collectively referred to as the SJWD.

SJWD has a Pre-1914 water right to 33,000 acre feet (AF), a contract with the United States Bureau of Reclamation (USBR) for 11,200 AF and a contract with PCWA for 25,000 AF. The place of use for the PCWA contract is within Placer County. SJWD has contracted with the USBR for an additional 13,000 AF of American River water, as authorized by Public Law 101-514.

All of SJWD surface water is diverted from the Folsom Reservoir and treated at the Sidney N. Peterson Treatment Plant. Treated water is then stored in a 62 million gallon treated storage reservoir.

CHWD, FOWD and OVWC supplement their surface water supply with groundwater to meet their peak needs.

B. SEVEN ELEMENTS OF THE *WATER FORUM AGREEMENT*: INTEGRATED PACKAGE

In order to achieve the Water Forum's two coequal objectives, providing a safe reliable water supply and preserving the values of the Lower American River, all signatories to the *Water Forum Agreement* need to endorse and, where appropriate, participate in each of seven complementary actions.

- Increased Surface Water Diversions
- Actions to Meet Customers' Needs While Reducing Diversion Impacts in Drier Years
- Support for an Improved Pattern of Fishery Flow Releases from Folsom Reservoir
- Lower American River Habitat Management Element
- Water Conservation Element
- Groundwater Management Element
- Water Forum Successor Effort

For each interest to get its needs met, it has to endorse all seven elements. Based on this linkage, signatories agree to endorse and, where appropriate, participate in all seven of these elements.

C. BASELINE DIVERSIONS FROM AMERICAN RIVER

Baseline diversions represent the historic maximum amount of water diverted annually from the American River through the year 1995.

The baseline for the SJWD's American River diversion is 54,200 AF. This includes the full amount of their CVP contract (11,200 AF) and water right (33,000 AF) entitlements in Sacramento County and 10,000 AF of the PCWA contract amount in Placer County.

D. AGREEMENT FOR MEETING SJWD'S WATER SUPPLY NEEDS TO THE YEAR 2030

1. MOST YEARS: As it applies to the SJWD portion of the agreement, Most Years is defined as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is greater than 950,000 acre feet.

In most years, SJWD will divert and use 82,200 AF.

2. DRIER YEARS: As it applies to the SJWD portion of the agreement, Drier Years is defined as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is less than 950,000 acre feet and equal to or greater than 400,000 acre feet.

In drier years, SJWD will divert and use a decreasing amount of surface water from 82,200 AF to 54,200 AF in proportion to the decrease in the unimpaired inflow to Folsom Reservoir from 950,000 AF to 400,000 AF. During drier years SJWD will reduce their demand proportionally by additional conservation (up to 15%) and use groundwater to meet their additional demands.

3. DRIEST YEARS (i.e. CONFERENCE YEARS): Defined for purposes of the *Water Forum Agreement* as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is less than 400,000 acre feet.

In the driest years, SJWD will reduce their diversion to 54,200 AF, equivalent to their baseline amount. During driest years SJWD will reduce their demand by additional conservation (up to 15%) and use groundwater to meet their additional demands.

However it is recognized that in years when the projected unimpaired inflow to Folsom Reservoir is less than 400,000 acre feet there may not be sufficient water available to provide the purveyors with the driest years quantities specified in their agreements and provide the expected driest years flows to the mouth of the American River. In those years SJWD will participate in a conference with other stakeholders on how the available water should be managed. The conferees will be guided by the Conference Year Principles described in Section Four, I. of the *Water Forum Agreement*.

E. SPECIFIC AGREEMENTS FOR COMPLYING WITH THE SEVEN ELEMENTS
(Agreements in italics are common in all Specific Agreements.)

1. All signatories to the *Water Forum Agreement* will endorse all water entitlements needed for the diversions specified in each Purveyor Specific Agreement.

2. *All signatories will endorse construction of facilities to divert, treat and distribute water consistent with this Purveyor Specific Agreement and the Water Forum Agreement including diversion structures, treatment plants, pumping stations, wells, storage facilities, and major transmission piping. Endorsement is also to be provided for necessary rights-of-ways, permits, and other endorsements which may be needed, in the context of the following five points:*

a. *All signatories agree that implementation of the Water Forum Agreement including an Improved Pattern of Fishery Flow Releases, the Updated Lower American River flow standard, the Lower American River Habitat Management Element, Actions to Meet Customers' Needs While Reducing Diversion Impacts in Drier Years, and the Water Conservation Element constitute reasonable and feasible mitigation for any cumulative impacts on the Lower American River caused by diversions included in the Water Forum Agreement.*

b. *Environmental impacts of facilities to divert, treat and distribute water will be subject to site-specific environmental review. It is understood that signatories may provide comments on site specific impacts. All signatories will work in good faith to agree on reasonable and feasible mitigation for any site-specific impacts.*

c. *To the extent that the water facilities are consistent with the Water Forum Agreement, signatories agree that they will not object to those water facilities based on the cumulative impacts to the Lower American River. Nor will signatories object to water facilities consistent with the Water Forum Agreement based on the planned growth to be served by those water facilities. (See Section Four IV, Relationship of Water Forum Agreement to Land Use Decision Making.)*

d. *In the planning for new water diversion, treatment, and distribution facilities identified in the Water Forum Agreement, water purveyors signatory to the Agreement will either provide for a public participation process, such as meeting with already established citizen advisory committees, or other appropriate means to help design and implement these projects.*

e. *All signatories retain their existing ability to provide input on specific details of facility design, financing, and construction.*

3. *Endorsement of the water entitlements and related facilities in the Water Forum Agreement means that signatories will expend reasonable efforts to:*

a. *Speak before stakeholder boards and regulatory bodies,*

- b. *Provide letters of endorsement,*
 - c. *Provide supportive comments to the media,*
 - d. *Advocate the Water Forum Agreement to other organizations, including environmental organizations that are not signatory to the Water Forum Agreement, and*
 - e. *Otherwise respond to requests from other signatories to make public their endorsement of the Water Forum Agreement.*
4. *All signatories agree that participation in the Water Forum and the Successor Effort is in the best interests of water consumers and the region as a whole. Participation in the Water Forum is the most economically feasible method of ensuring that water demands of the future will be met. Furthermore, provisions for groundwater management, conjunctive use, conservation programs, improved pattern of fishery flow releases from Folsom Reservoir, habitat management, and a reliable dry year supply are in the public interest, and represent reasonable and beneficial use of the water resource.*
5. *All signatories will not oppose and will endorse where appropriate needed rates and fees applied equitably. This includes endorsement at the California Public Utilities Commission for investor owned utilities' ability to recover all costs of conservation programs, including residential meter retrofit, through rates.*
6. *All signatories will endorse an Improved Pattern of Fishery Flow Releases from Folsom Reservoir and reduced daily flow fluctuations for the Lower American River. (Reference Section Three, III.)*
7. *All signatories will endorse formal assurances that the diversions will be consistent with the conditions in the Water Forum Agreement and that an Improved Pattern of Fishery Flow Releases from Folsom Reservoir will be implemented.*
8. *All signatories will endorse and participate where appropriate in all provisions of the Water Forum Agreement, including all agreements pertaining to other signatories and executed as part of this agreement.*
9. *All signatories will participate in education efforts and advocate the Water Forum Agreement to regulatory bodies and signatory stakeholder boards as appropriate.*
10. *All signatories will participate in the Water Forum Successor Effort to oversee, monitor and report on the implementation of the Water Forum Agreement. (Reference Section Three, VII., Water Forum Successor Effort). This includes participating with other signatories in carrying out procedural agreements as identified in the Water Forum Agreement. To the extent that conditions change in the future, all signatories will work together in good faith to identify ways to ensure that the two coequal goals of the Water Forum will still be met.*

11. All signatories will endorse and, where appropriate, financially participate in the Lower American River Habitat Management Element (Reference Section Three, IV., Lower American River Habitat Management Element).

12. All signatories will endorse and, where appropriate, implement the Water Conservation Element of the Agreement (Reference Section Three, V., Water Conservation Element). This purveyor's implementation of water conservation will be as specified in its Water Conservation Plan which is incorporated as Appendix J to the Water Forum Agreement.

13. All signatories will endorse and, where appropriate, participate in implementation of the Sacramento North Area Groundwater Management Authority to maintain a North Area estimated average annual sustainable yield of 131,000 acre feet.

14. All signatories will endorse development of a groundwater management arrangement for the South Area and where appropriate participate in its development, to maintain a South Area estimated average annual sustainable yield of 273,000 acre feet.

15. All signatories will endorse development of a groundwater management arrangement for the Galt Area and where appropriate participate in its development, to maintain a Galt Area estimated average annual sustainable yield of 115,000 acre feet.

16. Signatories authorizing individuals to represent them in matters included within the Water Forum Agreement will ensure that representations made by those individuals are consistent with the Water Forum Agreement and are upheld by the signatories.

17. This Agreement is in force and effect for all signatories for the term of the Memorandum of Understanding, December 31, 2030.

18. Any solution that provides for future needs will have costs. New diversion, treatment, and distribution facilities, wells, conservation programs, and required environmental mitigation will be needed. This Agreement identifies that these solutions must be equitable, fiscally responsible, and make the most efficient use of the public's money.

Water suppliers have both capital costs for facilities and operations and maintenance costs. This Agreement recommends that charges imposed to recover capital costs associated with water acquisition, treatment, or delivery be equitable. Any costs for facilities funded through bonds will be recovered as provided by law. In addition, signatories to the Water Forum Agreement agree that operational, maintenance and replacement costs should be recovered from beneficiaries of the system in accordance with California Government Code Sections 53720 to 53730 (Proposition 62) and California Constitution, Articles XIII, C and XIII, D (Proposition 218) and other laws to the extent they are applicable.

19. All signatories to the Agreement will endorse completion of the PL 101-514 water contract for SJWD.

20. All signatories agree to endorse, and where appropriate, participate in Sacramento River Supply for North Sacramento County and Placer County (Reference Section Four, III).

21. All signatories will endorse, and where appropriate, participate in the section of the Water Forum Agreement entitled "Relationship of Water Forum Agreement to Land Use Decision Making" (Reference Four, IV).

22. All signatories will endorse, and where appropriate, participate in the Folsom Reservoir Recreation Program (Reference Section Four, V).

23. Purveyors signatory to the Water Forum Agreement will reference the Water Forum Agreement, including agreed upon estimated average annual sustainable yields of each of the three subareas of the groundwater basin in Sacramento County and limits to diversions from the American River in their water master plans and urban water management plans, which are used in providing information to cities and counties as required under Chapter 881 of the Statutes of 1995.

24. Any transfers of American River water by signatories will be delivered in a manner consistent with an Improved Pattern of Fishery Flow Releases as referenced in the Water Forum Agreement.

F. ASSURANCES AND CAVEATS

Because the *Water Forum Agreement* is a comprehensive set of linked elements, it is absolutely essential that adequate assurances be secured for every element. In an agreement that will extend over three decades, the timing of these assurances is critical. Full implementation of all seven elements cannot occur simultaneously. Therefore all signatories agree with the provisions in the Assurances and Caveats Section of this *Water Forum Agreement*.

Two particularly important assurances are the updated Lower American River Flow Standard and Upstream American River Diversion Agreements.

All signatories agree they will recommend to the State Water Resources Control Board an updated American River flow standard and updated Declaration of Full Appropriation to protect the fishery, wildlife, recreational and aesthetic values of the Lower American River. The recommendation will include requirements for U.S. Bureau of Reclamation releases to the Lower American River. In addition, the City of Sacramento's Fairbairn diversion will be required to comply with the diversion limitations of the City's Purveyor Specific Agreement. The *Water Forum Agreement* also includes agreed upon dry year reductions by purveyors upstream of Nimbus Dam. The recommendation for an updated Lower American River standard will be consistent with:

Water Forum Agreement provisions on water diversions including dry year diversions,
and

Implementation of the Improved Pattern of Fishery Flow Releases which optimizes the release of water for the fisheries.

The recommendation will also address related issues such as principles to guide water management in the driest years, flexibility in the standard to allow adaptive management, and amending the existing "Declaration of Full Appropriation for the American River."

Purveyors signatory to the *Water Forum Agreement* who divert from upstream of Nimbus Dam agree they will enter into contract with the Bureau that will provide assurances that the upstream diverters will divert only the agreed upon amounts, which include provisions for reductions in dry year and/or other equivalent measures.

In order to have a durable agreement it is necessary to include the following caveats. These are statements describing actions or conditions that must exist for the *Agreement* to be operative.

1. As specified below, each purveyor's commitment to implementing all provisions of the *Water Forum Agreement* is contingent on it successfully obtaining its water supply entitlements and facilities.

a. If a purveyor receives support from the other signatories to the *Agreement* for all of its facilities and entitlements as shown on the chart in Section Three, I., of the *Water Forum Agreement*, "Major Water Supply Projects that Will Receive Support Upon Signing the *Water Forum Agreement*" and if it receives all necessary approvals for some or all of those facilities and entitlements, then the purveyor will fully support and participate in the following provisions of the *Water Forum Agreement*:

- (1) Support for the Improved Pattern of Fishery Flow Releases
- (2) Water Forum Successor Effort
- (3) Water Conservation Element
- (4) Lower American River Habitat Management Element
- (5) Support for the Updated Lower American River flow standard
- (6) Restriction of diversions or implementation of other actions to reduce diversion impacts in drier years as specified in its Purveyor Specific Agreement.

and

b. If a purveyor is not successful in obtaining all necessary approvals for all of its facilities and entitlements as shown on the chart in Section Three, I.; of the *Water Forum Agreement*, "Major Water Supply Projects that will Receive Support Upon Signing the *Water Forum Agreement*," that would constitute a changed condition that would be considered by the Water Forum Successor Effort.

2. All signatories agree that business, citizens, and environmental signatories' obligation to support, and where specified, implement all provisions of the *Water Forum Agreement* is contingent on implementation of those provisions of the *Agreement* that meet their interests.

3. A stakeholder's support for water supply entitlements and facilities is contingent on:
 - a. Project-specific compliance with the California Environmental Quality Act, and where applicable, the National Environmental Policy Act, federal Endangered Species Act and California Endangered Species Act.
 - b. Purveyors' commitment in their project-specific EIRs and CEQA findings to: all seven elements of the *Water Forum Agreement*; support for updating the Lower American River flow standard; commitment by those purveyors that divert from upstream of Nimbus Dam to entering into signed diversion agreements with the U.S. Bureau of Reclamation; commitment by the City of Sacramento to inclusion of the terms of the diversion provisions of its Purveyor Specific Agreement into its water rights.
 - c. Signed diversion agreements between purveyors that divert upstream of Nimbus Dam and the U.S. Bureau of Reclamation. Other signatories to the *Water Forum Agreement* shall be third party beneficiaries to the diversion agreements solely for the purpose of seeking specific performance of the diversion agreements relating to reductions in surface water deliveries and/or diversions if Reclamation fails to enforce any of those provisions. The status of a signatory to the *Water Forum Agreement* as a third party beneficiary to the diversion agreements is dependent on that signatory complying with all the terms of the *Water Forum Agreement*, including support for the purveyor specific agreement for the purveyor's project. This is not to intend to create any other third party beneficiaries to the diversion agreements, and expressly denies the creation of any third party beneficiary rights hereunder for any other person or entity.
 - d. Adequate progress on the updated Lower American River standard. The schedule for obtaining the updated standard is in Section Four, I., of the *Water Forum Agreement*.
 - e. Adequate progress in construction of the Temperature Control Device.
 - f. Adequate progress in addressing the Sacramento River and Bay-Delta conditions associated with implementation of the *Water Forum Agreement*.
4. Environmental stakeholders' support for facilities and entitlements is dependent upon the future environmental conditions in the Lower American River being substantially equivalent to or better than the conditions projected in the Water Forum EIR. If the future environmental conditions in Lower American River environment are significantly worse than the conditions projected in the EIR, this would constitute a changed condition that would be considered by the Water Forum Successor Effort. Significant new information on the needs of the Lower American River fisheries, which was not known at the time of execution of the *Water Forum Agreement*, would also constitute a changed condition that would be considered by the Water Forum Successor Effort.

G. REMAINING ISSUES

None

CITY OF ROSEVILLE

A. INTRODUCTION

The City of Roseville (Roseville) is located in the southern part of Placer County adjacent to Sacramento County.

Roseville currently has about 24,500 connections, of which about 22,000 are residential.

Roseville has a contract with the United States Bureau of Reclamation (USBR) for 32,000 AF and a contract with PCWA for 30,000 AF of American River water. All surface water is diverted from the Folsom Reservoir.

Roseville also has groundwater wells for emergency backup.

B. SEVEN ELEMENTS OF THE *WATER FORUM AGREEMENT*: INTEGRATED PACKAGE

In order to achieve the Water Forum's two coequal objectives, providing a safe reliable water supply and preserving the values of the Lower American River, all signatories to the *Water Forum Agreement* need to endorse and, where appropriate, participate in each of seven complementary actions.

- Increased Surface Water Diversions
- Actions to Meet Customers' Needs While Reducing Diversion Impacts in Drier Years
- Support for an Improved Pattern of Fishery Flow Releases from Folsom Reservoir
- Lower American River Habitat Management Element
- Water Conservation Element
- Groundwater Management Element
- Water Forum Successor Effort

For each interest to get its needs met, it has to endorse all seven elements. Based on this linkage, signatories agree to endorse and, where appropriate, participate in all seven of these elements.

C. BASELINE DIVERSIONS FROM AMERICAN RIVER

Baseline diversions represent the historic maximum amount of water diverted annually from the American River through the year 1995.

The baseline for Roseville's American River diversion is 19,800 AF.

D. AGREEMENT FOR MEETING ROSEVILLE'S WATER SUPPLY NEEDS TO THE YEAR 2030

1. MOST YEARS: As it applies to the Roseville's portion of the Agreement, Most Years is defined as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is greater than 950,000 acre feet.

In most years, Roseville will divert and use 54,900 AF.

2. DRIER YEARS: As it applies to the Roseville's portion of the Agreement, Drier Years is defined as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is less than 950,000 acre feet and greater than or equal to 400,000 acre feet.

In drier years, Roseville will divert and use a decreasing amount of surface water from 54,900 AF to 39,800 AF in proportion to the decrease in unimpaired inflow, from 950,000 to 400,000 AF, to Folsom Reservoir. During drier years Roseville will continue to meet their customers' needs while reducing diversions by additional conservation, using groundwater, and using reclaimed water. Additionally, Roseville will enter into an agreement with the Placer County Water Agency (PCWA) for replacing water to the River, up to 20,000 AF, from reoperation of PCWA's Middle Fork Project (MFP) reservoirs.

3. DRIEST YEARS (i.e. CONFERENCE YEARS): Defined for purposes of the *Water Forum Agreement* as follows: Years when the projected March through November Unimpaired Inflow to Folsom Reservoir is less than 400,000 acre feet.

In the driest years, Roseville will divert and use up to 39,800 AF. In the driest years, Roseville will continue to meet their customers' needs while reducing diversions by additional conservation, using groundwater, and using reclaimed water. Additionally, Roseville will enter into an agreement with PCWA for replacing 20,000 AF of water to the River from reoperation of PCWA's MFP reservoirs.

However it is recognized that in years when the projected unimpaired inflow to Folsom Reservoir is less than 400,000 acre feet there may not be sufficient water available to provide the purveyors with the driest years quantities specified in their agreements and provide the expected driest years flows to the mouth of the American River. In those years Roseville will participate in a conference with other stakeholders on how the available water should be managed. The conferees will be guided by the Conference Year Principles described in Section Four, I. of the *Water Forum Agreement*.

E. SPECIFIC AGREEMENTS FOR COMPLYING WITH THE SEVEN ELEMENTS
(Agreements in italics are common in all Specific Agreements.)

1. All signatories to the *Water Forum Agreement* will endorse all water entitlements needed for the diversions specified in each Purveyor Specific Agreement.

2. *All signatories will endorse construction of facilities to divert, treat and distribute water consistent with this Purveyor Specific Agreement and the Water Forum Agreement including diversion structures, treatment plants, pumping stations, wells, storage facilities, and major transmission piping. Endorsement is also to be provided for necessary rights-of-ways, permits, and other endorsements which may be needed, in the context of the following five points:*

a. All signatories agree that implementation of the Water Forum Agreement including an Improved Pattern of Fishery Flow Releases, the Updated Lower American River flow standard, the Lower American River Habitat Management Element, Actions to Meet Customers' Needs While Reducing Diversion Impacts in Drier Years, and the Water Conservation Element constitute reasonable and feasible mitigation for any cumulative impacts on the Lower American River caused by diversions included in the Water Forum Agreement.

b. Environmental impacts of facilities to divert, treat and distribute water will be subject to site-specific environmental review. It is understood that signatories may provide comments on site specific impacts. All signatories will work in good faith to agree on reasonable and feasible mitigation for any site-specific impacts.

c. To the extent that the water facilities are consistent with the Water Forum Agreement, signatories agree that they will not object to those water facilities based on the cumulative impacts to the Lower American River. Nor will signatories object to water facilities consistent with the Water Forum Agreement based on the planned growth to be served by those water facilities. (See Section Four IV, Relationship of Water Forum Agreement to Land Use Decision Making.)

d. In the planning for new water diversion, treatment, and distribution facilities identified in the Water Forum Agreement, water purveyors signatory to the Agreement will either provide for a public participation process, such as meeting with already established citizen advisory committees, or other appropriate means to help design and implement these projects.

e. All signatories retain their existing ability to provide input on specific details of facility design, financing, and construction.

3. *Endorsement of the water entitlements and related facilities in the Water Forum Agreement means that signatories will expend reasonable efforts to:*
- a. *Speak before stakeholder boards and regulatory bodies,*
 - b. *Provide letters of endorsement,*
 - c. *Provide supportive comments to the media,*
 - d. *Advocate the Water Forum Agreement to other organizations, including environmental organizations that are not signatory to the Water Forum Agreement, and*
 - e. *Otherwise respond to requests from other signatories to make public their endorsement of the Water Forum Agreement.*
4. *All signatories agree that participation in the Water Forum and the Successor Effort is in the best interests of water consumers and the region as a whole. Participation in the Water Forum is the most economically feasible method of ensuring that water demands of the future will be met. Furthermore, provisions for groundwater management, conjunctive use, conservation programs, improved pattern of fishery flow releases from Folsom Reservoir, habitat management, and a reliable dry year supply are in the public interest, and represent reasonable and beneficial use of the water resource.*
5. *All signatories will not oppose and will endorse where appropriate needed rates and fees applied equitably. This includes endorsement at the California Public Utilities Commission for investor owned utilities' ability to recover all costs of conservation programs, including residential meter retrofit, through rates.*
6. *All signatories will endorse an Improved Pattern of Fishery Flow Releases from Folsom Reservoir and reduced daily flow fluctuations for the Lower American River. (Reference Section Three, III.)*
7. *All signatories will endorse formal assurances that the diversions will be consistent with the conditions in the Water Forum Agreement and that an Improved Pattern of Fishery Flow Releases from Folsom Reservoir will be implemented.*
8. *All signatories will endorse and participate where appropriate in all provisions of the Water Forum Agreement, including all agreements pertaining to other signatories and executed as part of this Agreement.*
9. *All signatories will participate in education efforts and advocate the Water Forum Agreement to regulatory bodies and signatory stakeholder boards as appropriate.*
10. *All signatories will participate in the Water Forum Successor Effort to oversee, monitor and report on the implementation of the Water Forum Agreement. (Reference Section Three, VII.,*

Water Forum Successor Effort). This includes participating with other signatories in carrying out procedural agreements as identified in the *Water Forum Agreement*. To the extent that conditions change in the future, all signatories will work together in good faith to identify ways to ensure that the two coequal goals of the *Water Forum* will still be met.

11. All signatories will endorse and, where appropriate, financially participate in the *Lower American River Habitat Management Element* (Reference Section Three, IV., *Lower American River Habitat Management Element*).

12. All signatories will endorse and, where appropriate, implement the *Water Conservation Element of the Agreement* (Reference Section Three, V., *Water Conservation Element*). This purveyor's implementation of water conservation will be as specified in its *Water Conservation Plan* which is incorporated as Appendix J to the *Water Forum Agreement*.

13. All signatories will endorse and, where appropriate, participate in implementation of the *Sacramento North Area Groundwater Management Authority* to maintain a North Area estimated average annual sustainable yield of 131,000 acre feet.

14. All signatories will endorse development of a groundwater management arrangement for the South Area and where appropriate participate in its development, to maintain a South Area estimated average annual sustainable yield of 273,000 acre feet.

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17. This Agreement is in force and effect for all signatories for the term of the *Memorandum of Understanding*, December 31, 2030.

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53730 (Proposition 62) and California Constitution, Articles XIII, C and XIII, D (Proposition 218) and other laws to the extent they are applicable.

19. All signatories agree to endorse, and where appropriate, participate in Sacramento River Supply for North Sacramento County and Placer County (Reference Section Four, III).

20. All signatories will endorse, and where appropriate, participate in the section of the Water Forum Agreement entitled "Relationship of Water Forum Agreement to Land Use Decision Making" (Reference Four, IV).

21. All signatories will endorse, and where appropriate, participate in the Folsom Reservoir Recreation Program (Reference Section Four, V).

22. Purveyors signatory to the Water Forum Agreement will reference the Water Forum Agreement, including agreed upon estimated average annual sustainable yields of each of the three subareas of the groundwater basin in Sacramento County and limits to diversions from the American River in their water master plans and urban water management plans, which are used in providing information to cities and counties as required under Chapter 881 of the Statutes of 1995.

23. Any transfers of American River water by signatories will be delivered in a manner consistent with an Improved Pattern of Fishery Flow Releases as referenced in the Water Forum Agreement.

F. ASSURANCES AND CAVEATS

Because the *Water Forum Agreement* is a comprehensive set of linked elements, it is absolutely essential that adequate assurances be secured for every element. In an agreement that will extend over three decades, the timing of these assurances is critical. Full implementation of all seven elements cannot occur simultaneously. Therefore all signatories agree with the provisions in the Assurances and Caveats Section of this *Water Forum Agreement*.

Two particularly important assurances are the updated Lower American River Flow Standard and Upstream American River Diversion Agreements.

All signatories agree they will recommend to the State Water Resources Control Board an updated American River flow standard and updated Declaration of Full Appropriation to protect the fishery, wildlife, recreational and aesthetic values of the Lower American River. The recommendation will include requirements for U.S. Bureau of Reclamation releases to the Lower American River. In addition, the City of Sacramento's Fairbairn diversion will be required to comply with the diversion limitations of the City's Purveyor Specific Agreement. The *Water Forum Agreement* also includes agreed upon dry year reductions by purveyors upstream of Nimbus Dam. The recommendation for an updated Lower American River standard will be consistent with:

Water Forum Agreement provisions on water diversions including dry year diversions,
and
Implementation of the Improved Pattern of Fishery Flow Releases which optimizes the
release of water for the fisheries.

The recommendation will also address related issues such as principles to guide water management in the driest years, flexibility in the standard to allow adaptive management, and amending the existing "Declaration of Full Appropriation for the American River."

Purveyors signatory to the *Water Forum Agreement* who divert from upstream of Nimbus Dam agree they will enter into contract with the Bureau that will provide assurances that the upstream diverters will divert only the agreed upon amounts, which include provisions for reductions in dry year and/or other equivalent measures.

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- (1) Support for the Improved Pattern of Fishery Flow Releases
- (2) Water Forum Successor Effort
- (3) Water Conservation Element
- (4) Lower American River Habitat Management Element
- (5) Support for the Updated Lower American River flow standard
- (6) Restriction of diversions or implementation of other actions to reduce diversion impacts in drier years as specified in its Purveyor Specific Agreement.

and

b. If a purveyor is not successful in obtaining all necessary approvals for all of its facilities and entitlements as shown on the chart in Section Three, I., of the *Water Forum Agreement*, "*Major Water Supply Projects that will Receive Support Upon Signing the Water Forum Agreement*," that would constitute a changed condition that would be considered by the Water Forum Successor Effort.

2. All signatories agree that business, citizens, and environmental signatories' obligation to support, and where specified, implement all provisions of the *Water Forum Agreement* is contingent on implementation of those provisions of the *Agreement* that meet their interests.
3. A stakeholder's support for water supply entitlements and facilities is contingent on:
 - a. Project-specific compliance with the California Environmental Quality Act, and where applicable, the National Environmental Policy Act, federal Endangered Species Act and California Endangered Species Act.
 - b. Purveyors' commitment in their project-specific EIRs and CEQA findings to: all seven elements of the *Water Forum Agreement*; support for updating the Lower American River flow standard; commitment by those purveyors that divert from upstream of Nimbus Dam to entering into signed diversion agreements with the U.S. Bureau of Reclamation; commitment by the City of Sacramento to inclusion of the terms of the diversion provisions of its Purveyor Specific Agreement into its water rights.
 - c. Signed diversion agreements between purveyors that divert upstream of Nimbus Dam and the U.S. Bureau of Reclamation. Other signatories to the *Water Forum Agreement* shall be third party beneficiaries to the diversion agreements solely for the purpose of seeking specific performance of the diversion agreements relating to reductions in surface water deliveries and/or diversions if Reclamation fails to enforce any of those provisions. The status of a signatory to the *Water Forum Agreement* as a third party beneficiary to the diversion agreements is dependent on that signatory complying with all the terms of the *Water Forum Agreement*, including support for the purveyor specific agreement for the purveyor's project. This is not to intend to create any other third party beneficiaries to the diversion agreements, and expressly denies the creation of any third party beneficiary rights hereunder for any other person or entity.
 - d. Adequate progress on the updated Lower American River standard. The schedule for obtaining the updated standard is in Section Four, I., of the *Water Forum Agreement*.
 - e. Adequate progress in construction of the Temperature Control Device.
 - f. Adequate progress in addressing the Sacramento River and Bay-Delta conditions associated with implementation of the *Water Forum Agreement*.
4. Environmental stakeholders' support for facilities and entitlements is dependent upon the future environmental conditions in the Lower American River being substantially equivalent to or better than the conditions projected in the Water Forum EIR. If the future environmental conditions in Lower American River environment are significantly worse than the conditions projected in the EIR, this would constitute a changed condition that would be considered by the Water Forum Successor Effort. Significant new information on the needs of the Lower American River fisheries, which was not known at the time of execution of the *Water Forum*

Agreement, would also constitute a changed condition that would be considered by the Water Forum Successor Effort.

G. REMAINING ISSUES

None