

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
EXCHANGE CONTRACTORS 2014-2018 TRANSFER PROGRAM
ACTIVITY AGREEMENT**

This Exchange Contractors 2014-2018 Transfer Program Activity Agreement, made effective as of November 16, 2015, by and among the San Luis & Delta-Mendota Water Authority (“Water Authority”), a joint powers agency of the State of California, and its members who execute this Agreement.

RECITALS

A. The parties to this Agreement, together with certain other local agencies have entered into an amended and restated Joint Exercise of Powers Agreement-San Luis & Delta-Mendota Water Authority dated as of January 1, 1992, by and among the parties indicated therein, for the purpose of exercising the common powers of the members, including those powers described in this Agreement.

B. The parties to this Agreement each are empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution and use of water for irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water accepted into their respective systems; to transfer water and to purchase water in order

to maximize the efficient, beneficial use of the water supplies available; and to adopt rules and regulations necessary to the exercise of such powers.

C. The members of the Water Authority all have entered into contracts with the United States for water service from the Central Valley Project (“CVP”) for irrigation and/or M&I purposes within their respective jurisdictional areas and receive water conveyed through the Delta-Mendota Canal and/or San Luis Canal.

D. In recent years, the members of the Water Authority that are parties to this Agreement have received less than the full quantities provided for in their CVP water service contracts and Reclamation has projected continuing shortages in such deliveries in the future.

E. Members of the San Joaquin River Exchange Contractors Water Authority (“Exchange Contractors”) hold a contract for water from the United States that substitutes deliveries through the Delta-Mendota Canal for water from historical sources of surface water supplies and provides the Exchange Contractors with a highly reliable supply of water.

F. The parties recognize the importance of optimizing the use of the water supplies available from the CVP south of the Sacramento-San Joaquin River Delta and of stabilizing the quantity of water reliably available to them through transfer arrangements.

G. Together with the United States Bureau of Reclamation (“Reclamation”), the Exchange Contractors have prepared that certain Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority 2014-2038, Final Environmental Impact Statement/Environmental Impact Report dated January, 2013, with the Record of Decision being adopted by Reclamation on July 30, 2013 and the Environmental Impact Report being certified by the San Joaquin River Exchange Contractors Water Authority on March 1, 2013 (the “2013

EIS/EIR”), analyzing the environmental effects of the transfer of up to 150,000 acre-feet per year of water from the Exchange Contractors for refuge supplies; to CVP water service contractors within the Water Authority for irrigation and certain specified M&I uses; and to certain other CVP or State Water Project contractors.

H. Based upon the analysis done in the 2013 EIS/EIR, the Exchange Contractors, Reclamation, Madera Irrigation District and the Water Authority have developed that certain Agreement for the Acquisition of Water by the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2014-2018, Agreement No. 14-WC-20-4520, providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of 5 years, to be implemented through a program of successive one-year transfers.

I. Each of the parties to this Agreement desires to participate in the benefits and is willing to incur the obligations of the Exchange Contractor Transfer Agreement through the joint exercise of the powers common to each of the parties, including but not necessarily limited to the power to acquire water through purchase and transfer.

AGREEMENT

NOW, THEREFORE, in consideration of the facts recited above and of the covenants, terms and conditions set forth herein, the parties agree as follows:

Section 1. Definitions:

A. "Activity Agreement" or "Agreement" shall mean this Exchange Contractors 2014-2018 Transfer Activity Agreement.

B. "Activity Agreement Expenses" shall mean all expenses directly incurred by the Water Authority in order to implement this agreement, together with a share of Water Authority Operating Costs allocable to members of this Activity Agreement.

C. "Activity Agreement Member(s)" shall mean a member/members of the Water Authority who is/are signatory to this Agreement. The anticipated Activity Agreement Members are listed on Exhibit "A" attached hereto; upon finalization of the Activity Agreement, Exhibit "A" shall be replaced with "Revised Exhibit "A" listing such Members without further amendment of this Activity Agreement being required.

D. "Administration Agreement(s)" shall mean those certain agreements between the Water Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

E. "Exchange Contractors" shall mean the San Joaquin River Exchange Contractors Water Authority.

F. "Exchange Contractors 2014-2018 Transfer Agreement" or "Transfer Agreement" shall mean that certain agreement between the Exchange Contractors, Reclamation, the Water Authority, and the Madera Irrigation District, Contract No. 14-WC-20-4520.

G. "Exchange Contractors 2014-2018 Transfer Program" shall mean the Water Authority activities under this Agreement to implement one-year transfers between the Water Authority and the Exchange Contractors under the Exchange Contractors 2014-2018-Year Transfer Agreement.

H. “Fiscal Year” shall mean the Water Authority’s March 1 – February 28/29 fiscal year.

I. “Irrigation Users” shall mean the Activity Agreement Members who commit to acquire Exchange Contractor water for irrigation uses during the term of this Activity Agreement.

J. “JPA” or “JPA Agreement” shall mean that certain Amended and Restated Joint Exercise of Powers Agreement effective January 1, 1992, establishing the Water Authority.

K. “M&I Users” shall mean the Activity Agreement Members that may acquire Exchange Contractor water for M&I use during a specific Year.

L. “Transfer Water” shall mean the amount of Substitute Water provided for transfer by the Exchange Contractors each Year under the Exchange Contractors 2014-2018 Transfer Agreement.

M. “Water Authority” shall mean the San Luis & Delta-Mendota Water Authority.

N. “Water Authority Operating Costs” shall mean the Water Authority rent and other occupancy charges, acquisition cost of office furniture and equipment, including telephone, telecopy, photocopy, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of creditors, lawyers, engineers and other consultants, travel, telephone, telecopy and photocopy expenses and any other general administrative expenses, a share of which will be assigned to this Activity Agreement.

O. “Year” shall mean a calendar year.

P. All other capitalized terms used herein and in the Exchange Contractors 2014-2018 Transfer Agreement shall have the meanings ascribed to them in the Exchange Contractors 2014-2018 Transfer Agreement.

Section 2. Purpose:

A. The purpose of this Agreement is to allow, through the joint exercise of some or all of the common powers of the Activity Agreement Members described in the Recitals above, as appropriate, the Activity Agreement Members to participate in the Water Authority Exchange Contractors 2014-2018 Transfer Program to obtain the benefits, and to share the obligations of, the Exchange Contractors 2014-2018 Transfer Agreement under the terms set forth herein.

B. The parties acknowledge and agree that the Water Authority's role in this Activity Agreement is 1) to provide the umbrella joint powers agreement pursuant to which the parties may exercise their common powers and to provide services at the expense of the Activity Agreement Members; and 2) to act as agent for the Activity Agreement Members in order to negotiate and implement the Exchange Contractors 2014-2018 Transfer Agreement with Reclamation and the Exchange Contractors for and on behalf of the Activity Agreement Member; and 3) to provide administrative services for implementation of the Exchange Contractors 2014-2018 Transfer Program including, but not limited to, providing notices, calculating water allocations, providing advance funding for water acquired through that agreement, and providing billing services to the Activity Agreement Members during the term hereof.

Section 3. Organization: Initially, the business of this Activity Agreement shall be conducted by the Water Authority at large and therefore governed by the Board of Directors of the Authority. However, it is recognized that at some time in the future the Activity Agreement Members may wish to form a separate body specifically for the purpose of directing the business of the Activity Agreement. In that eventuality, upon the application of at least two (2) members of the Activity Agreement, the Board of Directors of the Water Authority will facilitate the formation of the organizational structure described in Appendix "1" to this Agreement, which shall then serve as the governing body as outlined in said Appendix "1."

Section 4. Budgetary Responsibilities:

The Activity Agreement Members shall have the authority and the obligation in cooperation with the Executive Director, Assistant Executive Director and the Authority's Finance and Administration Committee, to provide and approve a budget for the activities authorized by this Agreement, annually or more frequently as needed, for presentation to the Board of Directors of the Water Authority in accordance with Section 22 of the JPA Agreement.¹ All budgets and amendments thereof which result in a budget increase shall be subject to the approval of the Water Authority Board of Directors.

Section 5. Authorization to Allocate Operating Costs:

A Each Member of the Water Authority has entered into an Administration Agreement which authorizes an agreement by and among the Water Authority and any of its Members or other entities (including associate members) to provide for undertaking and sharing

¹The Water Authority's budget will run, e.g., from March 1, 2014 through February 28, 2015. The Exchange Contractor Transfer Agreement Year will run, e.g., from January 1 through December 31, 2014. Because all water deliveries will take place between March 1 and December 31, the financial obligations for each Year under the Transfer Agreement will fall within a single Fiscal Year.

costs and benefits of any authorized activity of the Authority. The Water Authority and the Activity Agreement Members agree that all Activity Agreement Expenses incurred by the Water Authority under this Agreement are the costs of the Activity Agreement Members, and not of the Authority, and shall be paid by the Activity Agreement Members.

B. The Activity Agreement Members further agree to pay that share of Water Authority Operating Costs allocated by the Board of Directors of the Water Authority to cover the cost to the Water Authority of administering this Activity Agreement, as part of the Activity Agreement Expenses.

Section 6. Purchase Obligation and Process for Allocating Water for M&I Users and for Irrigation Users for Each Year:

During the term of the Exchange Contractors 2014-2018 Transfer Agreement, the Activity Agreement Members shall be obligated to purchase all water made available to the Water Authority and to Reclamation that Reclamation elects not to purchase as set forth in the Exchange Contractors 2014-2018 Transfer Agreement. The Water Authority shall allocate the Transfer Water among Irrigation Users, M&I Users, and Reclamation as set forth in this Section 6.

A. Allocation for Irrigation Users. The allocation for Irrigation Users shall be the maximum quantity designated for Irrigation on Exhibit "B" based upon the CVP South-of-Delta Contract Allocation for Irrigation for such Year, plus i) any allocation for M&I Users not accepted by M&I Users during such Year; ii) any portion of Transfer Water allocation offered by Madera Irrigation District and accepted by the Water Authority under Section 5(e) of the Exchange Contractors 2014-2018 Transfer Agreement; and iii) any portion of Reclamation's

maximum quantity for such Year, that Reclamation elects not to purchase in accordance with Section 5(c) of the Exchange Contractors 2014-2018 Transfer Agreement, as summarized in Section 6.C of this Activity Agreement. The Water Authority shall sub-allocate the quantity of Transfer Water made available for Irrigation Users among Irrigation Users based on each Irrigation User's CVP water supply contract quantity for irrigation as of the date hereof, as agreed by the parties and set forth on Exhibit "C" attached hereto.

B. Notice and Allocation for M&I Users. "Beginning in January 2014 for the 2014 Year, and thereafter on each November 1, beginning November 1, 2014, promptly upon receipt of notice from the Exchange Contractors, the Water Authority shall notify the M&I Users of the quantity of Transfer Water, up to 5,000 AF, available for M&I use. The M&I Users must notify the Water Authority and the Exchange Contractors in writing of each Year of the quantity of Transfer Water they desire to acquire for M&I use for the forthcoming Year.

1. The Water Authority shall sub-allocate Transfer Water made available by the Exchange Contractors for M&I Users in any Year as follows:

a. If the Transfer Water made available for M&I Users during a particular Year is adequate to cover the respective requests for Transfer Water of all M&I contractors participating for such Year made pursuant to Section 6.B. above, the Water Authority shall allocate the Transfer Water made available for M&I Users as follows: San Benito County Water District (SBCWD), 5% (up to 250 acre feet); San Luis Water District (SLWD), 3% (up to 150 acre feet); Santa Clara Valley Water District (SCVWD), 87% (up to 4,350 acre feet); and Westlands Water District (WWD), 5% (up to 250 acre feet), or any other allocation mutually agreed by these M&I contractors.

b. If the Transfer Water made available for M&I Users during a particular Year is inadequate to cover the combined quantities of Transfer Water requested by SBCWD, SLWD, SCVWD and WWD pursuant to Section 6.B. above, the Water Authority shall allocate to the available M&I water based on the following allocation: 5% to SBCWD, 3% to SLWD, 87% to SCVWD and 5% to WWD. If any participating M&I contractor chooses not to take its allocation, that portion of the M&I water shall be allocated to the remaining M&I participant based on their proportional share of their M&I historic use, or upon any other allocation mutually agreed by the M&I contractors.

2. In the event Transfer Water is reduced under any applicable provision of the Exchange Contractors 2014-2018 Transfer Agreement, the allocation for M&I Users will be reduced proportionately from 5,000 acre feet and the available allocation will be sub-allocated between M&I Users as provided in Section 6.B.1.b above.

C. Reclamation's Allocation, Election Not to Purchase, and Water Authority Obligation its Allocation. Reclamation shall have the right to purchase for refuge supply purposes in each Year up to the maximum allocation for Reclamation set forth in Exhibit "B" determined in reference to the corresponding CVP South-of-Delta Contract Allocation for Irrigation for such Year, on the same terms and conditions set forth in the Exchange Contractors 2014-2018 Transfer Agreement. Under Section 5(c) of the Exchange Contractors 2014-2018 Transfer Agreement, Reclamation may elect not to purchase all or a portion of its allocation of Transfer Water during such year so long as it provides notice to each of the other Parties by April 1 of such Year. In any such Year, the allocation for the Water Authority shall be increased proportionately, and the Activity Agreement Members hereby agree to purchase such water.

D. The Water Authority will promptly calculate the respective allocations of Transfer Water for Irrigation Users, M&I Users and if applicable, Reclamation and Madera Irrigation District, pursuant to the terms of the Exchange Contractors 2014-2018 Transfer Agreement and Exhibit "B" and shall notify the Activity Agreement Members of the amount of their respective allocations for the respective Water Year.

Section 7. Payment for Activity Agreement Expenses and for Transfer Water:

A. The Water Authority will calculate an administrative rate on a per acre-foot basis to cover projected Activity Agreement Expenses. This rate will be determined annually by estimating projected Activity Agreement Expenses and estimating projected Transfer Water delivered. This annual rate will be applied to all Transfer Water delivered within the respective Fiscal Year. Within ninety (90) days of the end of each Fiscal Year, the Water Authority will calculate adjustments in the administrative charge to take into account any differences between Activity Agreement estimated amounts and actual Activity Agreement expenditures and differences between the projected quantity of Transfer Water made available during a particular Year and actual deliveries during such Year. Immediately following such calculation of adjustments, the Water Authority will provide notice of credits or bills for additional charges to the Activity Agreement Members. Each Activity Agreement Member may elect to obtain refunds or to apply any credit balance and shall remit payment of bills for additional amounts within thirty (30) days.

B. Each Activity Agreement Member shall be bound to accept and pay for the actual costs of such Member's allocated share of Transfer Water, except that an Activity Agreement Member may be relieved of its commitments by obtaining the written agreement of

any other Activity Agreement Member(s) to accept the share of Transfer Water and the obligations under this Agreement of the Activity Agreement Member arranging such substitution. The Water Authority shall have no responsibility to track changes in allocations or in payment obligations resulting from substitution agreements pursuant to this Section 9.B. until it receives a copy of the writing memorializing the allocation adjustment.

C. Pursuant to Section 4(d) of the Exchange Contractors 2014-2018 Transfer Agreement, the Exchange Contractors will invoice the Water Authority for the price of Transfer Water subsequent to the last day of each month during which the Exchange Contractors have made Transfer Water available to the Water Authority. As soon as the Water Authority receives the invoice and verifies the deliveries to the Activity Agreement Members during such period, the Water Authority shall bill the Activity Agreement Members.

1. The Activity Agreement Members shall remit upon receipt of the Water Authority's bill, so that the Water Authority can timely pay the Exchange Contractors.

2. Each Activity Agreement Member hereby agrees to pay to the Water Authority any and all costs incurred by the Water Authority on account of such Activity Agreement Member's participation in and obligations under the Exchange Contractors 2014-2018 Transfer Agreement, including but not limited to, i) interest on late payments as provided in Section (4)(d) of that Agreement; ii) reimbursement of foregone interest on Water Authority accounts, if any; and iii) any other costs incurred by the Water Authority because of such Activity Agreement Member's late payment.

3. In addition to the price for Transfer Water payable to the Exchange Contractors, each Activity Agreement Member hereby agrees to pay to Reclamation and to the Water Authority those costs for Transfer Water described in Section 4(c) of the Exchange Contractor 2014-2018 Transfer Agreement.

4. Each Activity Agreement Member agrees to hold harmless the Water Authority, all other Activity Agreement Members, and all Water Authority Members who are not participants in the Activity Agreement from obligations incurred by the Water Authority in order to acquire the Activity Agreement Member's respective share of the water transferred from the Exchange Contractors pursuant to this Agreement.

Section 8. Source of Payments:

Each Activity Agreement Member agrees that it will, at all times, have sufficient money to meet its obligations hereunder and under the JPA Agreement. Each Activity Agreement Member hereby confirms that the Water Authority and other Activity Agreement Members are third party beneficiaries of such Activity Agreement Member's obligations under this Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

Section 9. Indemnification of Non-Members

The Activity Agreement Members shall hold the Water Authority and each of its Members who is not an Activity Agreement Member, free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from this Activity Agreement. This indemnification obligation includes the obligation of the Activity Agreement Members to defend the Water Authority, and all Members of the Water Authority

which are not participants in the Activity Agreement, at the sole expense of the Activity Agreement Members, in any action or proceeding brought against the Water Authority or any of its members not participating in the Activity Agreement to recover any such costs, losses, damages, claims or liabilities arising from this Activity Agreement.

Section 10. Term:

This Agreement shall take effect on the date it is executed by the Water Authority and be retroactive to January 1, 2014, and shall remain in full force and effect through December 31, 2018, or until such earlier date as this Agreement is amended, rescinded or terminated by the Water Authority and the Activity Agreement Members. In the event the Exchange Contractor Transfer Agreement does not take effect or is rescinded or terminated prior to December 31, 2018, this Activity Agreement shall likewise terminate. Provided, that this Agreement may be extended without formal amendment being required in the event of any renewal or extension of the Exchange Contractor 2014-2018 Transfer Agreement for an additional Year or Years, by attaching a new Exhibit "B" to this Agreement setting forth any revised quantities or allocations among Irrigation Users, M&I Users, Reclamation and Madera Irrigation District.

Section 11. Withdrawal from Further Participation:

No Activity Agreement Member shall be entitled to withdraw from participation in this Activity Agreement unless it enters into an agreement with one or more of the remaining Activity Agreement Members to accept assignment of the withdrawing Member's share of Transfer Water and to assume the withdrawing Member's obligation to acquire Transfer Water for the balance of the term of the Exchange Contractors 2014-2018 Transfer Agreement. As of the withdrawal date, all rights of participation in this Agreement shall cease for the withdrawing

member, and withdrawing member shall within 30 days, pay all such Activity Agreements Member's financial obligations incurred prior to such withdrawal date pursuant to the terms of this Agreement.

Section 12. Admission of New Members:

No additional Members or Associate Members of the Water Authority may become members of this Activity Agreement without the consent of all of the other Activity Agreement Members and of the Water Authority.

Section 13. Amendments:

Except for an extension provision as described in Section 10, this Agreement may be only amended in writing executed by the parties hereto.

Section 14. Assignment; Binding on Successors:

Except as otherwise provided in this Agreement, the rights and duties of the Activity Agreement Member may not be assigned or delegated without the written consent of the Authority. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Water Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Water Authority and the Activity Agreement Members.

Section 15. Counterparts:

This Agreement may be executed by the Water Authority and the Activity Agreement Members in separate counterparts, each of which when so executed and delivered

shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 16. Choice of Law:

This Agreement shall be governed by the laws of the State of California.

Section 17. Severability:

If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Activity Agreement Members and the Water Authority that the remainder of the Agreement shall not be affected thereby.

Section 18. Headings:

The titles of sections of this Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By:  _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: _____

By: _____

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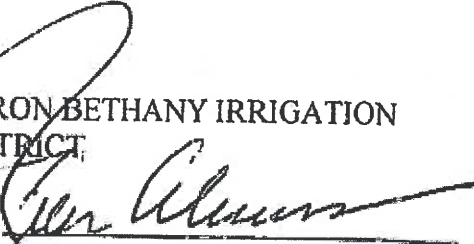
The titles of sections of this Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

BYRON BETHANY IRRIGATION
DISTRICT

By: 
Rick Gilmore, General Manager

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: Ashlea Colson
General Manager

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: 
Barbara Preimsberg, President
Eagle Field Water District

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By:  _____
Mercy Springs Water District

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: 
Pacheco Water District

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER


By: _____
Panoche Water District

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: _____

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By:  _____

By: Beau Goldie
Chief Executive Officer

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: *Ge M. M...*
GENERAL MANAGER
San Luis Water District

By: _____

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: _____

By: _____

ACTIVITY AGREEMENT MEMBER

By: *o. [Signature]*
Westlands Water District

By: _____

EXHIBIT A

ACTIVITY AGREEMENT MEMBERS

Byron-Bethany Irrigation District

Del Puerto Water District

Eagle Field Water District

Mercy Springs Water District

Pacheco Water District

Panoche Water District

San Benito County Water District

Santa Clara Valley Water District

San Luis Water District

Westlands Water District

EXHIBIT "B"

ALLOCATION AMONG IRRIGATION USERS, M&I USERS, AND RECLAMATION BASED ON CVP SOUTH-OF-DELTA CONTRACT ALLOCATION FOR IRRIGATION

SOD AG Allocation	BOR Allocation (AF)	SLDMWA Allocation (AF)	Proposed New MID Allocation (AF)	Total Allocation (AF)
0%	17,500	60,500	2,000	80,000
5%	18,500	59,500	2,000	80,000
10%	18,500	59,500	2,000	80,000
15%	18,500	59,500	2,000	80,000
20%	18,500	59,500	2,000	80,000
25%	19,500	58,500	2,000	80,000
30%	19,500	58,750	1,750	80,000
35%	19,500	58,750	1,750	80,000
40%	19,500	58,750	1,750	80,000
45%	19,500	59,000	1,500	80,000
50%	27,550	51,200	1,250	80,000
55%	27,550	51,200	1,250	80,000
60%	34,437	44,563	1,000	80,000
65%	40,000	39,250	750	80,000
70%	46,665	32,585	750	80,000
75%	46,665	32,585	750	80,000
80+%	46,665	32,585	750	80,000

EXHIBIT "C"

IRRIGATION USERS' CONTRACT QUANTITY/ALLOCATION PERCENT

Participants	Contract Quantity (AF)	Allocation Percentage (%)
Byron Bethany ID	20,600	1.24%
Del Puerto WD	140,210	8.44%
Eagle Field WD	4,550	0.27%
Pacheco WD	10,080	0.61%
Panoche WD	94,000	5.66%
Mercy Springs WD	2,842	0.17%
San Benito County WD	35,550	2.14%
Santa Clara Valley WD	33,100	1.99%
San Luis WD	124,080	7.47%
Westlands WD	1,195,383	71.99%
Total	1,660,395	100.00%

APPENDIX 1

Organization:

a. Governing Body. The business of the Activity Agreement shall be conducted by a Steering Committee consisting of one member appointed by each Activity Agreement Member. Members of the Steering Committee shall be appointed by action of the governing body of the respective Activity Agreement Members, and shall be effective upon the appointment date as communicated in writing to the Authority. Each member shall serve on the Steering Committee from the date of appointment by the governing body of the Activity Agreement Member he/she represents at the pleasure of such governing body. The governing body of each Activity Agreement Member may also appoint an Alternate Member, in the same manner as Steering Committee Members are appointed, to serve at the pleasure of such governing body. In addition, the Executive Director and the Assistant Executive Director of the Water Authority shall serve as ex-officio members of the Steering Committee.

b. Meetings. The Chairman of the Steering Committee or, a majority of a quorum of the members of the Steering Committee, are authorized to call meetings of the Steering Committee as necessary and appropriate to conduct the business of the Activity Agreement. All such meetings shall be open to the public and subject to notice and location requirements as set forth in the Ralph M. Brown Act (Government Code §§ 54950 et seq.).

c. Quorum and Voting.

A majority of the then-appointed Steering Committee Members plus any Alternate Members attending in the absence of their respective Steering Committee Members

shall constitute a quorum of the Steering Committee. Each Steering Committee Member shall have one (1) vote. In the absence of a Steering Committee Member, the duly appointed Alternate Steering Committee Member may cast the vote of the respective Activity Agreement Member. All actions of the Steering Committee must be taken by a two-thirds vote of a quorum formed of Steering Committee Members and Alternate Members acting in place of absent Steering Committee Members. The Executive Director, Assistant Executive Director and other employees of the Water Authority shall not be entitled to vote.

d. Officers. The Steering Committee shall select from its members a Chairman who shall act as presiding officer. There also shall be selected from the Steering Committee membership a Vice-Chairman and a Secretary, who may, but need not be, a member of the Steering Committee. All elected officers shall remain in office at the pleasure of a majority vote of the Steering Committee.

e. Powers and Limitations Thereon. Subject to the direction of the governing bodies of the Activity Agreement Members and of the Authority, the Executive Director shall undertake all actions necessary for carrying out the Activity Agreement, including but not limited to making budget recommendations; facilitating coordination of information as to the quantity of water available and the transferred water purchase obligation of Activity Agreement Members during each year of the term of this Agreement; setting the timing required for payments of obligations hereunder; employing consultants and otherwise authorizing expenditure of Activity Agreement funds within the parameters of the budget approved by the Authority; developing and implementing guidelines, rules or regulations; and such other actions as shall be reasonably necessary or convenient to the purposes of the Activity Agreement.

