

FOWD/SJWD AD HOC COMMITTEE
Representatives of the Board of Directors of
Fair Oaks Water District and San Juan Water District

FAIR OAKS WATER DISTRICT

Michael McRae, President
Chris Petersen, Vice President

SAN JUAN WATER DISTRICT

Dan Rich, President
Ted Costa, Director

AGENDA

May 22, 2023

6:00 p.m.

at

**San Juan Water District
9935 Auburn Folsom Road
Granite Bay, California**

To attend via videoconference, please use the following link:

Please join the meeting from your computer, tablet or smartphone.

<https://meet.goto.com/245724141>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 245-724-141

Please mute your line.

- A. Call to Order
- B. Old Business
 - 1. Voluntary Agreement Groundwater Substitution Transfers
 - 2. SJWD Water Right Protection – Proposed Wholesale Agreement Language
 - 3. FOWD-SJWD Groundwater Partnership – Project Specific Action Items
- C. New Business
 - 1. Sacramento Regional Water Bank Governance Document
- D. Agenda Items for Next Meeting
- E. Public Comment
- F. Adjournment

FOWD-SJWD 2x2 Ad Hoc Committee Meeting Minutes

San Juan Water District

May 1, 2023

6:00 p.m.

Committee Members: Mike McRae, FOWD Member
Chris Petersen, FOWD Member
Dan Rich, SJWD Member
Ted Costa, SJWD Member

Staff: Tom Gray, FOWD General Manager
Paul Helliker, SJWD General Manager
Greg Zlotnick, SJWD Water Resources Manager

Others: Trevor Joseph, Regional Water Authority/Sacramento
Groundwater Authority

Topics: SGA Water Accounting Framework
Status of Water Bank
FOWD New York Well
Status of Voluntary Agreement
Reference Document Database
Agenda Items for Next Meeting
Public Comment

1. SGA Water Accounting Framework/ Status of Water Bank

Trevor Joseph from SGA/RWA made informational presentations re the Regional Water Bank and the Water Accounting Framework and took questions. Joseph was asked about the process for developing a water accounting framework for the Eastern Unit, and he suggested waiting until the analysis was done for the water bank in general.

2. FOWD New York Well

The committee discussed permitting/environmental documentation for pursuing pilot ASR project and potential regional EIR as well.

3. Voluntary Agreement

Committee members expressed a desire to develop a partnership between FOWD and SJWD to participate in the groundwater substitution transfers elements of the VA.

4. Agenda Items for Next Meeting

Agenda items suggested by committee members included more detailed discussions of projects for a groundwater partnership (including FOWD's SWOT analysis),

discussion of a partnership for the voluntary agreement, and an overview of the groundwater sustainability plan and minimum thresholds.

5. Public Comment

There were no public comments.

The meeting was adjourned at 7:40 p.m.

American River Voluntary Agreement

Groundwater Substitution Transfer Components Information Update 5-15-23

Water to be Provided

- 30,000 AF of groundwater substitution transfers to provide Delta outflow in up to 3 dry or critical years out of the 8 years of the VA
- Releases for outflow will be provided by Reclamation from Folsom Reservoir
- Transfers to “repay” Reclamation will be able to occur for up to 12 months after the releases are provided
- Streamflow depletion factor still to be negotiated

Funding in Exchange for the Water Provided

- \$55 million will be provided from DWR for infrastructure projects, in compensation for the water provided (this was formerly \$15 million for 10,000 AF in contribution 2 and \$40 million for 20,000 AF in contribution 3) – it could be necessary to use a very small percentage of this funding to pay the grant administrator for expenses associated with administering the grant (collating and submitting reports, etc. – see DWR grant agreement)
- The compensation rate would be at least \$611/AF (minus any administration cost or adjustment for streamflow depletion factor), if water is called in all three years – calculated by dividing the \$55 million by 30,000 AF and dividing again by three years
- Compensation would be provided to individual agencies for specific projects, and would be the total funding provided under the VA to any set of partners for the transfer amount that they commit to providing

**SAN JUAN WATER DISTRICT AND FAIR OAKS WATER DISTRICT
WHOLESALE WATER SUPPLY-DELIVERY AGREEMENT**

This Agreement is entered into as of May __, 2008, by and between San Juan Water District, a public agency ("San Juan"), and Fair Oaks Water District, a public agency ("Fair Oaks").

RECITALS

A. San Juan is the ~~owner-holder~~ of certain water rights and contractual water entitlements, ~~in trust for its retail members,~~ and is the owner of facilities and entitlements for the diversion, treatment and conveyance of water from Folsom Reservoir, ~~to make available and delivers~~ treated water supplies for use exclusively within its wholesale and retail service areas as shown on the map attached hereto and incorporated herein as Exhibit "A".

B. Fair Oaks is located within the wholesale service area boundaries of San Juan.

C. Fair Oaks distributes treated water supplies made available by San Juan to Fair Oaks' retail customers within Fair Oaks' boundaries. San Juan has been providing treated water supplies to Fair Oaks since the formation of San Juan in 1954.

D. San Juan and Fair Oaks entered into previous wholesale water supply agreements, including the 1974 and 1971 Water Supply Agreements and the 2004 Water Supply Agreement. This Agreement supersedes in its entirety all previous wholesale water supply agreements and amendments thereto between Fair Oaks and San Juan, upon the effective date of this Agreement.

In consideration of the mutual covenants contained herein, San Juan and Fair Oaks agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.

2. **Definitions.** When used in this Agreement, the following terms are defined as set forth in this section:

A. "cfs" means cubic feet per second.

B. "CTP" means the Cooperative Transmission Pipeline Project.

C. "CTP Agreement" means the "Agreement for Ownership, Utilization, Operation and Maintenance of the Cooperative Transmission Pipeline Project," effective July 1, 1997, as it may be amended from time to time, to which Citrus Heights Water District, Fair Oaks, Orange Vale Water Company, Sacramento Suburban Water District and San Juan are parties.

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Commented [KW1]: Map of SJWD's current service area boundaries.

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D. "CVP" means the Central Valley Project.

E. "Fair Oaks" means the Fair Oaks Water District.

F. "Member Agencies" means the ~~following~~ retail water service providers that are the beneficiaries of the receiving wholesale water service from San Juan Water Rights and Entitlements, and the retail water service customers of San Juan: (1) Citrus Heights Water District; (2) Fair Oaks; (3) Orange Vale Water Company; (4) ~~San Juan in its capacity as a retail water service provider~~; (45) San Juan Water District retail water service; and ~~(65)~~ the City of Folsom relative to that portion of its service area north of the American River.

G. "1974 and 1991 Water Supply Agreements" means the wholesale water supply agreements between San Juan and Fair Oaks, dated August 6, 1974, as amended on December 11, 1974.

H. "Point of Delivery" means one or more points of delivery to which San Juan will make water supplies available to Fair Oaks, which are described in **Exhibit 1** to this Agreement.

I. "Reclamation" means the United States Bureau of Reclamation.

J. "San Juan" means San Juan Water District.

K. "San Juan-Reclamation Agreement" means the April 12, 1954 agreement between the North Fork Ditch Company and the United States (Contract No. DA 04 167 eng 182), which was incorporated by reference in the June 19, 1962 CVP water supply contract between San Juan and the United States (Contract No. 14-06-200-152A, as amended). Under the San Juan-Reclamation Agreement, the total amount of water that may be diverted by San Juan under its pre-1914 water right and water right permit no. 4009 cannot exceed 33,000 acre feet per year at a maximum rate of 75 cfs.

L. "San Juan's CVP Water Supply Contract" means a CVP water supply contract for 24,200 acre feet between San Juan and the United States (Contract No. 6-07-20-W1373-LTR1), as amended and renewed from time to time.

M. "San Juan's Surface Water Supply and Water Shortage Management Plan" means the written plan for managing San Juan's Water Rights and Entitlements during times of water shortage, which San Juan and the Member Agencies approved as of **May** 2008, as amended from time to time with the approval of San Juan and the Member Agencies.

N. "San Juan's Water Rights and Entitlements" means the water rights and entitlements described in Paragraph 5.a. hereof, which San Juan of San Juan that are used to make water supplies delivers available to Fair Oaks under pursuant to the terms of this Agreement, the current sources of which are listed in paragraph A of section 5 of this Agreement.

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O. "San Juan's Water Treatment and Conveyance Facilities" means the water diversion, pumping, treatment and conveyance facilities to be used by San Juan to make water supplies available to Fair Oaks at the Point of Delivery, which are described in **Exhibit 2** to this Agreement.

P. "2004 Water Supply Agreement" means the Wholesale Water Supply Agreement that was entered into by Fair Oaks and San Juan as of January 1, 2004, and as amended as of January 1, 2006 and December 31, 2007.

3. Term. This Agreement is effective as of the date first mentioned above, and will continue in full force and effect for the same term as San Juan's CVP Water Supply Contract, including any renewals or extensions thereof. The San Juan CVP Water Supply Contract will terminate on February 28, 2045, unless renewed or extended.

4. Prior Water Supply Agreements Superseded. This Agreement supersedes in their entirety the 1974 and 1991 Water Supply Agreements and the 2004 Water Supply Agreement, and any other prior wholesale water supply agreements, and amendments thereto, between Fair Oaks and San Juan.

5. Water Supplies To Be Made Available To Fair Oaks.

A. Water ~~Supplies Currently Available To San Juan~~ Rights and Entitlements. ~~The water will be made available~~ delivered by San Juan to Fair Oaks ~~under pursuant to~~ this Agreement ~~is developed~~ from water ~~rights and entitlements acquired and maintained by supplies that are available to~~ San Juan ~~in trust for the Member Agencies~~ ~~from time to time~~. San Juan will use its best efforts to preserve and protect ~~San Juan's~~ the Water Rights and Entitlements. The ~~water supplies that are currently available to San Juan~~ Water Rights and Entitlements include ~~the following~~: (1) a pre-1914 appropriative water right to divert ~~approximately 28,000 acre-feet per annum~~ at the rate of 60 cfs from the American River with a priority date of 1853, which is delivered from Folsom Reservoir by Reclamation without charge to San Juan under the San Juan-Reclamation Agreement; (2) ~~a~~ post-1914 appropriative water right ~~(under permit no. 4009 License No. 6324, (a) Application No. 5830, with a priority date of filed on February 11, 1928)~~ to divert approximately 5,000 acre-feet per annum at the rate of 15 cfs from the American River, which is delivered from Folsom Reservoir by Reclamation without charge to San Juan under the San Juan-Reclamation Agreement; (3) ~~San Juan's~~ CVP Water Supply Contract for diversion of up to 24,000 acre-feet per year, in addition to the pre- and post-1914 appropriative rights identified in (1) and (2) hereof; (4) a water supply contract dated December 7, 2000 between San Juan and Placer County Water Agency for up to 25,000 acre feet per year; and (5) temporary supplies of surplus water from Reclamation under Section 215 of Public Law 97-293.

B. Member Agencies To Have First Priority of Use. San Juan will operate San Juan's Water Treatment and Conveyance Facilities, and utilize San Juan's Water Rights and Entitlements, to provide a first priority of use of the Water Rights and Entitlements to the Member

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Termination Date Feb 28 2045

Agencies. As used in this paragraph 5.B., “first priority of use” means that San Juan will deliver water to meet the Member Agencies’ water demands, first, from the pre-1914 appropriative right described in Paragraph 5.A(1), second, from License No. 6324 as described in Paragraph 5.A(2), and third, from other water supplies identified in Paragraph 5.A(3), (4) and (5). San Juan may use San Juan's Water Treatment and Conveyance Facilities and ~~San Juan's~~ Water Rights and Entitlements to provide water ~~service to other water purveyors outside of the Member Agencies~~ to the extent such water service is surplus to the water supply needs of the Member Agencies, as determined in the preceding sentence. With express written approval of the Member Agencies, which shall not be unreasonably withheld, San Juan may transfer water under ~~San Juan's~~ Water Rights and Entitlements for use outside the boundaries of ~~San Juan that San Juan~~ the Member Agencies

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~~determines to the extent such water~~ is surplus to the water ~~supply needs~~ demands of the Member Agencies during the term of the water transfer. Prior to making such determination, San Juan will request from Fair Oaks information regarding the water supply needs of Fair Oaks during the term of the proposed water transfer, and San Juan will account for this information in making its determination of the availability of surplus water. ~~Based on the information provided, San Juan must demonstrate to Fair Oaks' reasonable satisfaction that the proposed transfer is surplus to Fair Oaks' water supply needs. With regard to San Juan's pre 1914 right, San Juan shall not transfer or otherwise provide water under its pre 1914 right outside its wholesale and retail service area without consent of the Member Agencies, which shall not be unreasonably withheld.~~ San Juan will use the net revenues from each water transfer to ~~defray~~ offset the costs that are recovered through San Juan's wholesale water rates and charges under section 11 of this Agreement. ~~No Such water~~ Such transfers will not ~~may not~~ (1) exceed one year in duration; (2) result in Fair Oaks receiving during the term of a water the transfer less water than the amount provided for under this Agreement, without the consent of Fair Oaks; or (3) increase the wholesale water rates and charges under section 11 of this Agreement, without the consent of Fair Oaks.

C. Beneficial Use by Fair Oaks. Since the formation of Fair Oaks in 1917, Fair Oaks has beneficially used a portion of San Juan's Water Rights and Entitlements referred to in ~~items Paragraph 5.A~~ (1), (2), (3) and (5) of ~~paragraph A~~ of this section. Fair Oaks has demonstrated to the satisfaction of San Juan that Fair Oaks has projected future demands for water use such that Fair Oaks expects to utilize fully for reasonable and beneficial use the water supplies made available to it by San Juan.

D. Peak Demands. San Juan's Water Treatment and Conveyance Facilities e, in general, intended and designed to have sufficient capacity under normal conditions to meet the historical maximum daily water demands of water users in the Member Agencies' service areas. From time to time and place to place, higher rates of demand may be served if such water service does not interfere with normal service to any other portion of the Member Agencies' service areas. San Juan will determine when such higher demands will be served, and may limit the rate of water supply at any Point of Delivery, upon advance written notice to the Member Agency to the extent practicable.

E. Annual Water Supplies To Be Made Available by San Juan to Fair Oaks. During each calendar year throughout the term of this Agreement, consistent with San Juan's Water Rights and Entitlements and subject to the terms of this Agreement (including subsections G and H of this section), San Juan will make available to Fair Oaks the supplies of treated water at the Point of Delivery that are scheduled by Fair Oaks. Fair Oaks will make reasonable and beneficial use of the water supplies provided to Fair Oaks by San Juan, in a manner that is consistent with the terms of San Juan's Water Rights and Entitlements.

F. Scheduling Water Deliveries. San Juan will schedule and make arrangements for water deliveries to Fair Oaks under this Agreement based on information

provided to San Juan by Fair Oaks as requested by San Juan. Unless otherwise requested in writing by Fair Oaks to San Juan, San Juan shall schedule water deliveries to ~~Citrus Heights Fair Oaks~~ utilizing estimates based on ~~Citrus Heights' fair Oaks'~~ actual average water deliveries for the corresponding months in the 5 previous years.

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G. Water Shortages and Interruptions in Water Deliveries. San Juan will use all reasonable means to ensure against: (1) conditions of shortage in the water supplies available under San Juan's Water Rights and Entitlements; and (2) interruptions in San Juan's ability to use San Juan's Water Treatment and Conveyance Facilities in making water supplies available to Fair Oaks at the Point of Delivery, where such conditions or interruptions could result in reductions or interruptions in water service to Fair Oaks under this Agreement. San Juan may temporarily discontinue or reduce the water supplies made available to Fair Oaks under this Agreement for the purposes of investigation, inspection, maintenance, repair, replacement or improvement of any of San Juan's Water Treatment and Conveyance Facilities, but to the extent practicable, San Juan will: (1) consult with Fair Oaks and consider Fair Oaks' water supply needs concerning a planned or unplanned interruption in water deliveries; (2) provide Fair Oaks reasonable prior notice of any such interruption in water deliveries; and (3) use its best efforts to limit the duration of such conditions of shortage and interruption in water deliveries. San Juan will allocate available water supplies to Fair Oaks and the other Member Agencies in accordance with San Juan's Surface Water Supply and Water Shortage Management Plan.

H. Water Allocations During Conditions of Shortage. To the extent that: (1) the water supplies available in any year under San Juan's Water Rights and Entitlements; and/or (2) the availability of use of San Juan's Water Treatment and Conveyance Facilities, are insufficient to make available the full water supplies requested or scheduled by Fair Oaks and other agencies who contract for wholesale water supplies from San Juan, San Juan will allocate its available water supplies in an equitable manner. San Juan will allocate available water supplies to Fair Oaks and the other Member Agencies in accordance with San Juan's Surface Water Supply and Water Shortage Management Plan.

6. Point of Delivery and Measurement.

A. Identification of Point of Delivery and Measurement. Water supplies made available by San Juan to Fair Oaks under this Agreement will be delivered to and measured at or near one or more Points of Delivery. San Juan will be responsible for :furnishing, installing, operating and maintaining in good operating condition water control and measurement facilities at or near each Point of Delivery, or by other means agreeable to the parties.

B. Normal Minimum Water Service Pressure at Point of Delivery. San Juan will use its best efforts to operate San Juan's Water Treatment and Conveyance Facilities to provide the minimum water service pressure, as required by the California Department of Public Health Division of Drinking Water and Environmental Management or its successor agency, at each Point of Delivery as specified in **Exhibit 1** to this Agreement.

C. No Liability for Distribution of Water Beyond Fair Oaks' Point of Delivery. To the extent that San Juan makes water available to Fair Oaks consistent with the terms of this Agreement, San Juan will not be liable for the control, carriage, handling, use, disposal or distribution of water supplies made available to Fair Oaks under this Agreement past

the Point of Delivery, unless the cause of such liability can reasonably be determined to be arising out of San Juan's action or inaction in making water available before or at the Point of Delivery. To the extent that San Juan makes water available to Fair Oaks consistent with the terms of this Agreement, San Juan will not be liable for claims of damage of any nature whatsoever, including but not limited to property damage or personal injury, arising out of or connected with the control, carriage, handling, use, disposal or distribution of water supplies made available to Fair Oaks under this Agreement past the Point of Delivery, unless the cause of such liability can reasonably be determined to be arising out of San Juan's action or inaction in making water available before or at the Point of Delivery. Unless the cause of such liability can reasonably be determined to be San Juan's action or inaction, Fair Oaks will indemnify, defend and hold harmless San Juan and its directors, officers, employees and agents from any such damages or claims of damages. To the extent that San Juan makes water available to Fair Oaks consistent with the terms of this Agreement, San Juan will not be liable for changes in water quality or violations of drinking water standards downstream of the Point of Delivery, unless the cause of such changes or violations is reasonably determined to be arising out of San Juan's action or inaction in making water available before or at the Point of Delivery. San Juan will consult and cooperate with Fair Oaks to avoid such changes or violations.

7. Compliance with the Requirements of San Juan's CVP Water Supply Contract. To ensure that the provisions of San Juan's CVP Water Supply Contract that apply to the delivery of water within Fair Oaks' service area are met, Fair Oaks will ensure that: (a) all surface water delivered within Fair Oaks' boundaries is measured at each service connection with water measuring devices or water measuring methods of comparable effectiveness that have been approved by the Contracting Officer (as defined in San Juan's CVP Water Supply Contract), on a schedule that has been approved by the Contracting Officer; and (b) an effective water conservation and efficiency program that has been approved by the Contracting Officer is implemented within Fair Oaks' service area.

8. Water Quality. Water supplies made available by San Juan to Fair Oaks under this Agreement will meet or be superior to all applicable minimum standards for drinking water quality in effect at the time of delivery as including those established by: (a) the California Department of Public Health Division of Drinking Water and Environmental Management, or its successor agency; and (b) federal agencies with jurisdiction over drinking water standards. San Juan will provide water quality reports to Fair Oaks as required by State and Federal law.

9. Operation, Maintenance and Improvement of San Juan's Water Treatment and Conveyance Facilities.

A. San Juan's Water Treatment and Conveyance Facilities. San Juan will utilize San Juan's Water Treatment and Conveyance Facilities to make water supplies available to Fair Oaks at the Point of Delivery. A diagram of said facilities and adjoining Member Agency facilities are schematically shown in **Exhibit 2** to this Agreement.

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B. Operation, Maintenance and Capital Improvement of San Juan's Water Treatment and Conveyance Facilities. San Juan will operate, maintain, repair, replace and improve San Juan's Water Treatment and Conveyance Facilities as San Juan determines to be prudent, consistent with legal obligations and sound engineering, construction and utility operating practices, for the mutual benefit of Fair Oaks and the other Member Agencies. San Juan will consult with Fair Oaks and the other Member Agencies prior to planning and undertaking capital improvements to San Juan's Water Treatment and Conveyance Facilities.

C. San Juan's Cooperative Transmission Pipeline Project. The utilization, operation and maintenance of San Juan's CTP will be in accordance with the terms of the CTP Agreement. Nothing in this Agreement amends or supersedes the provisions of the CTP Agreement.

10. Area in Which Water May Be Used. Water supplies made available to Fair Oaks under this Agreement will not be sold or otherwise disposed of by Fair Oaks for use outside of the boundaries of Fair Oaks as of the effective date of this Agreement, without the prior written consent of San Juan, which consent will not be unreasonably withheld

11. Water Rates and Charges.

A. Wholesale Water Rates and Charges. San Juan will set wholesale water rates and charges from time to time for making treated water supplies available to Fair Oaks, and other agencies that contract for wholesale water supplies from San Juan, to recover San Juan's costs of making treated water supplies available, including without limitation, the cost of untreated water under San Juan's Water Rights and Water Entitlements, and the cost of operation, maintenance, repair, replacement of, and capital improvements to, San Juan's Water Treatment and Conveyance Facilities. San Juan's wholesale water rates and charges will include the melded cost of water from San Juan's Water Rights and Water Entitlements. San Juan's wholesale water rates and charges will include interest and penalties for delinquent payments, as appropriate. San Juan will determine its wholesale water rates and charges based on cost-of-service principles and other applicable provisions of law. San Juan will ensure that revenues collected by San Juan from Fair Oaks and other Member Agencies for wholesale water service are equitably used for the benefit of such wholesale water customers. San Juan will provide Fair Oaks with 150 days' advance written notice of proposed changes in water rates and charges under this Agreement, provide Fair Oaks an opportunity to comment on such proposed changes prior to adoption of changes by San Juan, and account for Fair Oaks' comments in making its determination. Changes in water rates and charges will typically be effective as of January 1 of the calendar year following adoption by San Juan.

B. Schedule for Payment. San Juan will bill Fair Oaks quarterly in advance for one-quarter of the estimated annual water service charges and for estimated quarterly water deliveries scheduled to Fair Oaks under this Agreement. The estimates for quarterly water deliveries scheduled will be based on Fair Oaks' actual average water deliveries for the

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corresponding quarter in the 5 preceding years. San Juan will bill Fair Oaks a minimum of 15 days prior to the beginning of each quarter. Fair Oaks will pay San Juan within 30 days from the beginning of each calendar quarter. Within 30 days after the end of each calendar year, San Juan will reconcile the actual water deliveries based on San Juan's water measurement facilities with the estimated water deliveries, and determine the rates and charges to Fair Oaks for the actual quantities of water made available. San Juan will either bill Fair Oaks for any additional amount owed, or promptly refund to Fair Oaks any amounts paid by Fair Oaks in excess of the amount owed. If San Juan determines that Fair Oaks owes San Juan an additional amount, San Juan will bill Fair Oaks within 45 days of the determination, and Fair Oaks will pay San Juan within 45 days of receipt of the bill. If San Juan determines that Fair Oaks has paid in excess of the amount owed, San Juan will pay Fair Oaks within 45 days of such determination.

In the event that water deliveries to Fair Oaks based upon San Juan's water measurement facility or facilities are determined to be incomplete or inaccurate, San Juan and Fair Oaks shall collaborate and agree on how to determine a reasonable estimate of water delivered to Fair Oaks. Said estimate methods may include, but are not limited to, utilization of Fair Oaks in-series water measurement facilities, summation of Fair Oaks water deliveries to its retail customers, comparison to a prior time period, or other method mutually acceptable to the parties and approved by the Fair Oaks and San Juan Boards of Directors.

C. General Obligation of Fair Oaks. The obligations of Fair Oaks under this Agreement will constitute general obligations of Fair Oaks, and Fair Oaks will use all of the powers and resources available to it under the law to collect the funds necessary for, and to pay, Fair Oaks' obligations to San Juan under this Agreement. Fair Oaks as a whole is obligated to pay San Juan the payments becoming due under this Agreement, notwithstanding any individual default by its water users, customers or others in the payment to Fair Oaks of assessments, taxes or other rates and charges levied by Fair Oaks.

12. General Provisions.

A. Supporting Resolutions. Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and will provide to the other party concurrent with execution of this Agreement, a duly-authorized resolution or other document authorizing the person executing this Agreement to do so.

B. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement concerning the subject matter of this Agreement, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement.

C. Construction and Interpretation. The parties acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction

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that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

D. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement will not render the other provisions invalid, illegal or unenforceable.

E. Periodic Review; Amendment. San Juan and the Member Agencies plan to meet not less than once every 5 years to review the terms of their wholesale water supply agreements, and discuss possible amendments thereto. The terms of this Agreement may be modified or amended only by a subsequent written agreement approved and executed by the parties.

F. Notices. Any notice and other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (a) served personally on the party to whom notice is to be given; or (b) sent by electronic mail, and the party to whom notice is to be given confirms receipt; or (c) mailed, on the third day after mailing, if mailed to the party to whom notice is to be given, by first-class mail, postage prepaid, and properly addressed to the following:

General Manager
San Juan Water District
Post Office Box 2157
Granite Bay, CA 95746-2157

General Manager
Fair Oaks Water District
10317 Fair Oaks Blvd.
Fair Oaks, CA 95628

G. Relationship of Parties. Nothing in this Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability.

H. No Third-Party Beneficiaries. This Agreement will not be construed to create any third-party beneficiaries, except that this Agreement recognizes that Fair Oaks is a third-party beneficiary of San Juan's contractual water entitlements that are set forth in paragraph A of section 5 of this Agreement. This Agreement is for the sole benefit of the parties and their respective successors and permitted transferees and assigns, and no other person or entity will be entitled to rely on or receive any benefit from this Agreement or any of its terms.

I. Successors and Assigns. This Agreement will bind and be for the benefit of the respective successors and assigns of the parties, except that, no assignment or transfer of any rights or duties of a party under this Agreement will be effective unless approved in writing by the other party.

J. Opinions and Determinations. Where the terms of this Agreement provide for an action to be based on the opinion, determination, approval or review of either party, such terms are not intended to be, and will not be construed as permitting, such action to

be arbitrary, capricious or unreasonable. Any opinion, determination, approval or review required of a party under this Agreement will be provided in a timely manner.

K. Reasonable Cooperation. The parties will reasonably cooperate with each other, including the execution of all necessary documents, to carry out the purposes and intent of this Agreement. Each party will reasonably cooperate with the other to provide materials and information as requested from time to time to facilitate implementation and review of this Agreement, and the parties' respective rights and duties thereunder.


L. General Indemnity. Each party to this Agreement will indemnify, defend and hold harmless the other party, and its respective directors, officers, employees and agents, from and against any and all liability, losses, claims, damages, expenses, demands, settlements and costs (including, but not limited to, interest, penalties, attorney, expert witness and consulting fees, and litigation costs) of any nature arising out of the party's performance under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by the party, or the party's employees, agents, contractors and subcontractors.

M. Waiver. The waiver at any time by a party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed to be a waiver with respect to any subsequent default or matter.

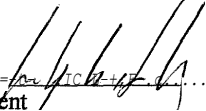
N. Remedies Not Exclusive. The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by either party of any remedy under this Agreement will be without prejudice to the enforcement of any other remedy.

The foregoing is hereby agreed to by the parties and executed in counterpart duplicate originals as of the effective date of this Agreement.

SAN JUAN WATER DISTRICT

By: 
Ken Miller, President
Board of Directors

FAIR OAKS WATER DISTRICT

By: 
Secreta I Jr.,
Board of Directors

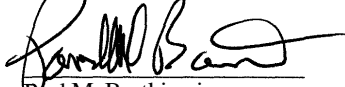
ATTEST:

Byf!fkg
Secretary

By _____
Secreta I Jr.,

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Approved as to form:

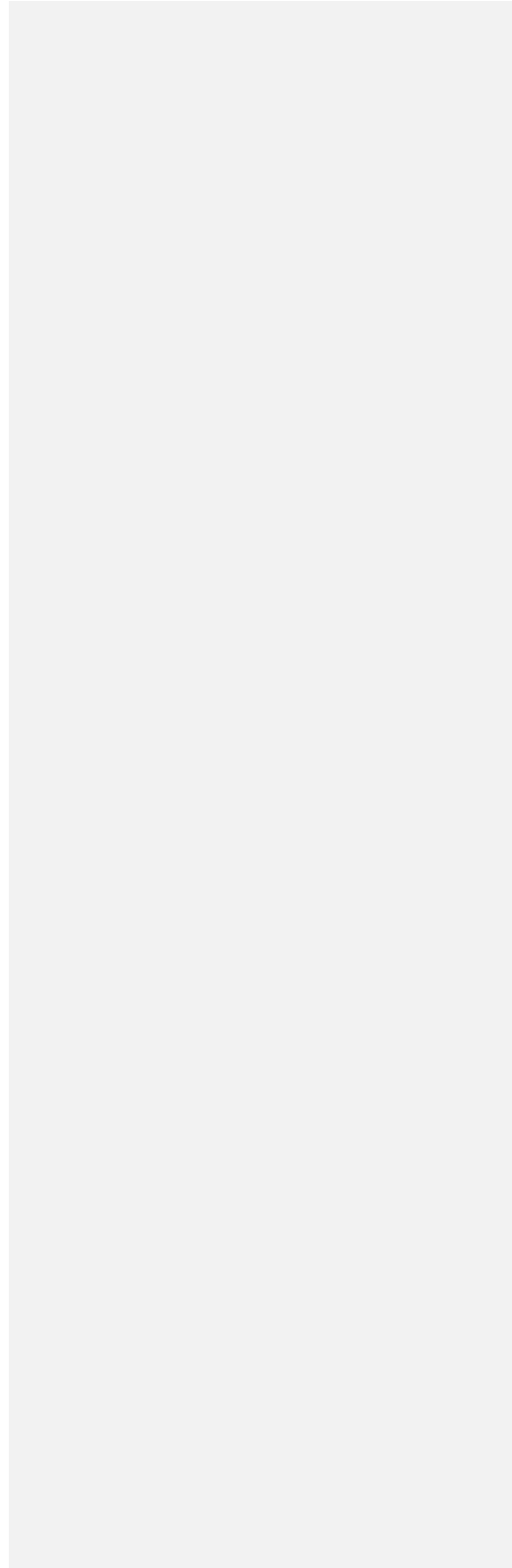


Paul M. Bartkiewicz,
Bartkiewicz, Kronick & Shanahan

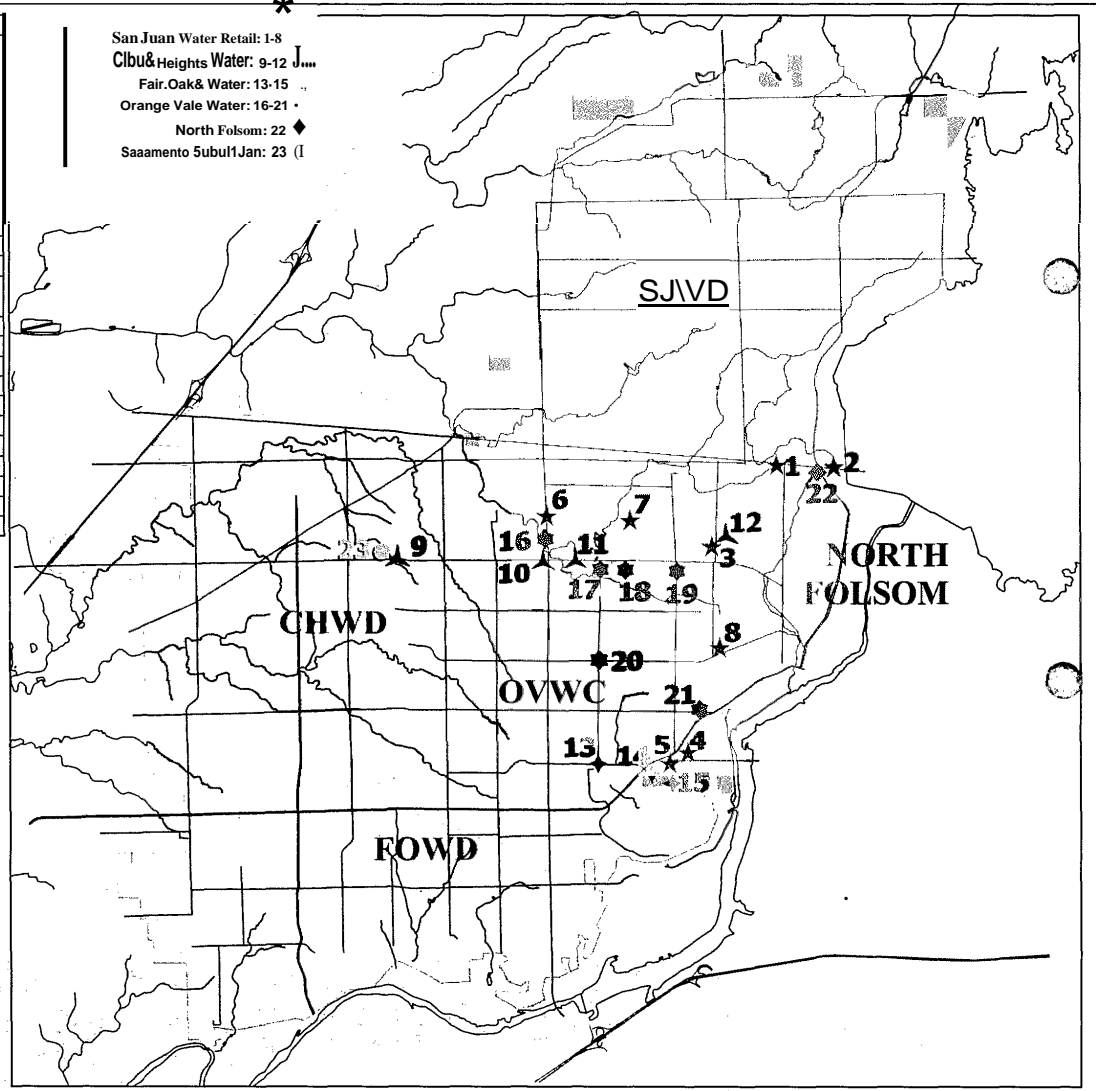
Approved as to form:

List of Exhibits

- I. Surface Water Points of Delivery
2. San Juan's Water Treatment and the Conveyance Facilities



- | No. | Point of Delive |
|-----|---|
| 1. | San Juan Retail at Bacon Pump Station 33" 30" & 18" |
| 2. | San Juan Retail at Hinkle Pump Station (16") |
| 3. | San Juan Retail at Santa Juanita Ave. and Canyon Falls Dr. (24" Cardwell Meter) |
| 4. | San Juan Retail Lincoln Palisades on Main Ave. (20") |
| 5. | San Juan Retail Lake Natoma Dr. & Main Ave. (10") |
| 6. | San Juan Retail at Hazel Ave. & Eden Oaks Ave. (12") |
| 7. | San Juan Retail at Granite Ave. (12" off CH:42) |
| 8. | San Juan Retail Various Points on Fair Oaks 40" (Var.) |
| 9. | atrus Heights W.D. Oak Ave. & C-Bar-C CTP 20 24" |
| 10. | Otrus Heights W.D. Oak Ave. & Hazel Ave. 18" |
| 11. | Citrus Heights W.D. Oak Ave. west of Filbert Ave. (8") |
| 12. | Citrus Heights W.D. canyon Falls Dr. & American River Canyon Dr. (42") |
| 13. | Fair oaks W.D. Filbert Ave. & Persh Ave. CTP 30" |
| 14. | Fair oaks W.D. Main Ave. & Persh Ave. 40" |
| 15. | Fair Oaks W.D. Main Ave. & Twin Lakes Ave. (12") |
| 16. | Orange Vale W.C. Hazel Ave. & Oak Ave. (12") |
| 17. | Orange Vale W.C. Oak Ave. & Filbert Ave. (8") |
| 18. | Orange Vale W.C. Oak Ave. & Chestnut Ave. (12") |
| 19. | Orange Vale W.C. Main Ave. & Oak Ave. CTP (30") |
| 20. | Orange Vale W.C. Filbert Ave. & Central Ave. CTP 24" |
| 21. | Orange Vale W.C. Greenback Lane (12") |
| 22. | City of Folsom Ashland at Hinkle Pump Station (18") |
| 23. | Sacramento Suburban W.D. C-Bar-C CTP (48") |

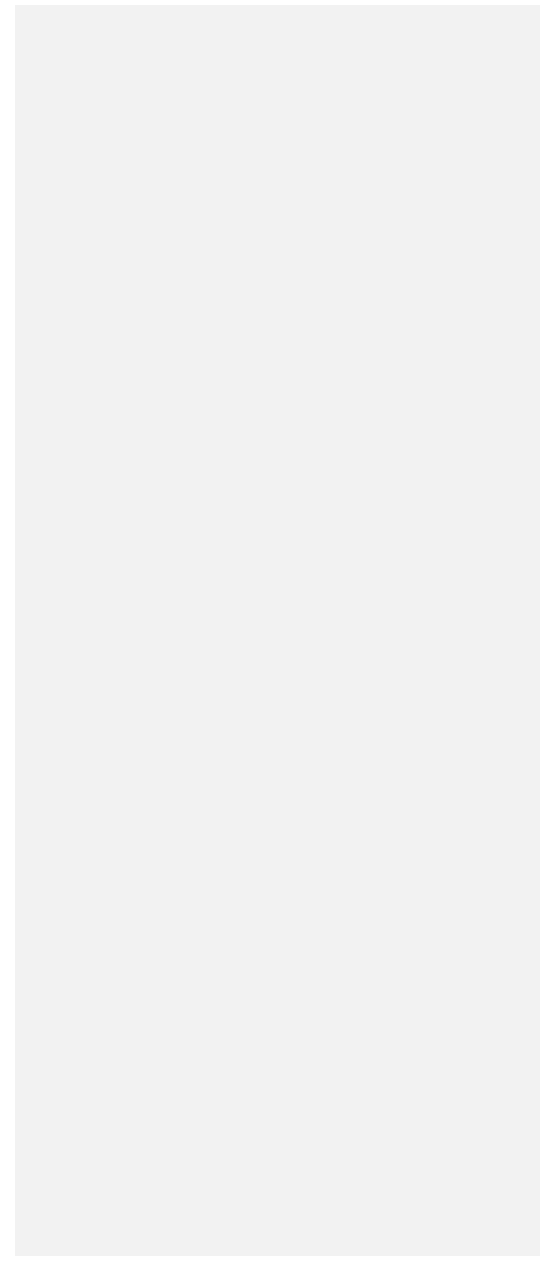


SAN JUAN WATER DISTRICT

WHOLESALE WATER SUPPLY AGREEMENT
WHOLESALE /RETAIL
SURFACE WATER POINTS OF DELIVERY

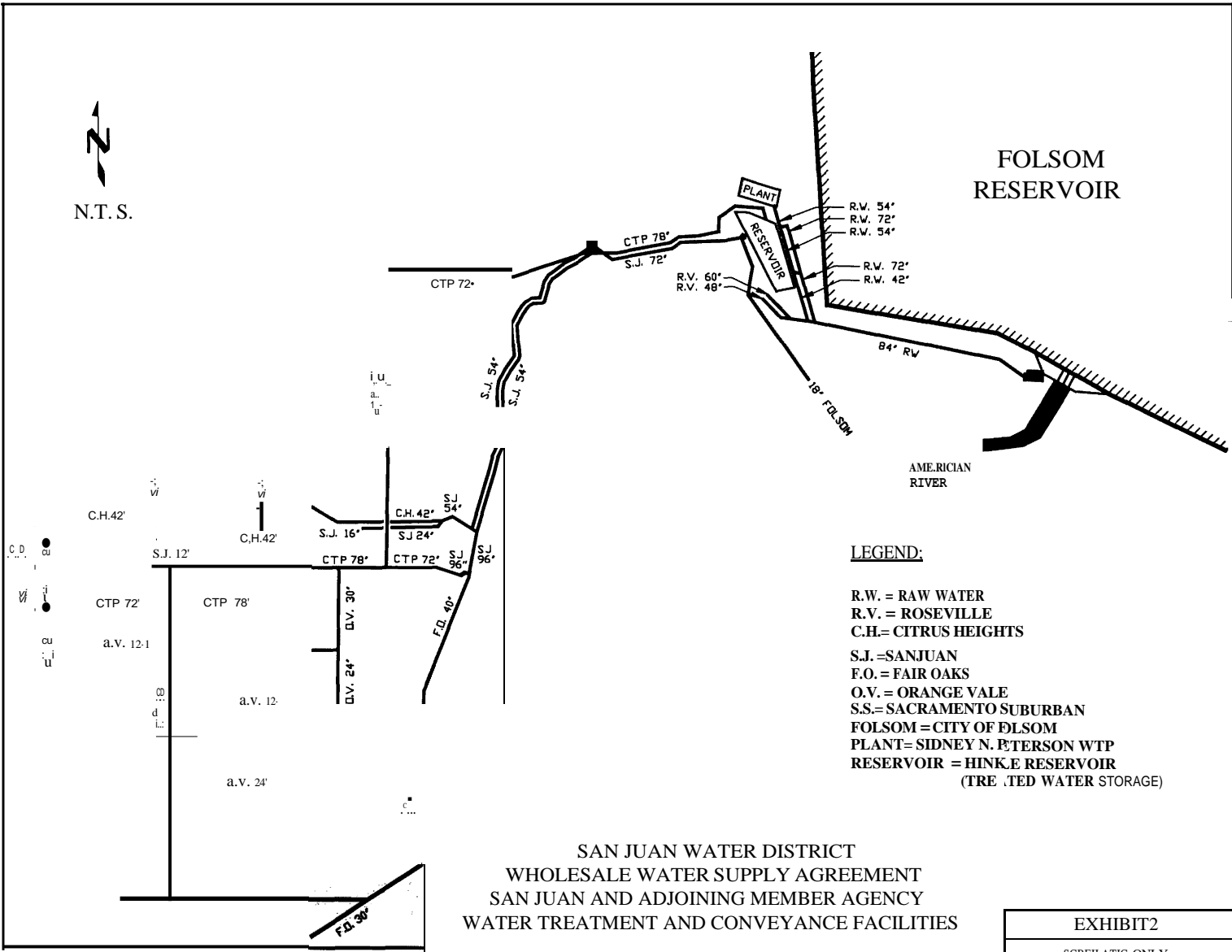
MAY 2008

SCHEMATIC ONLY
NOT TO SCALE



N.T.S.

FOLSOM
RESERVOIR

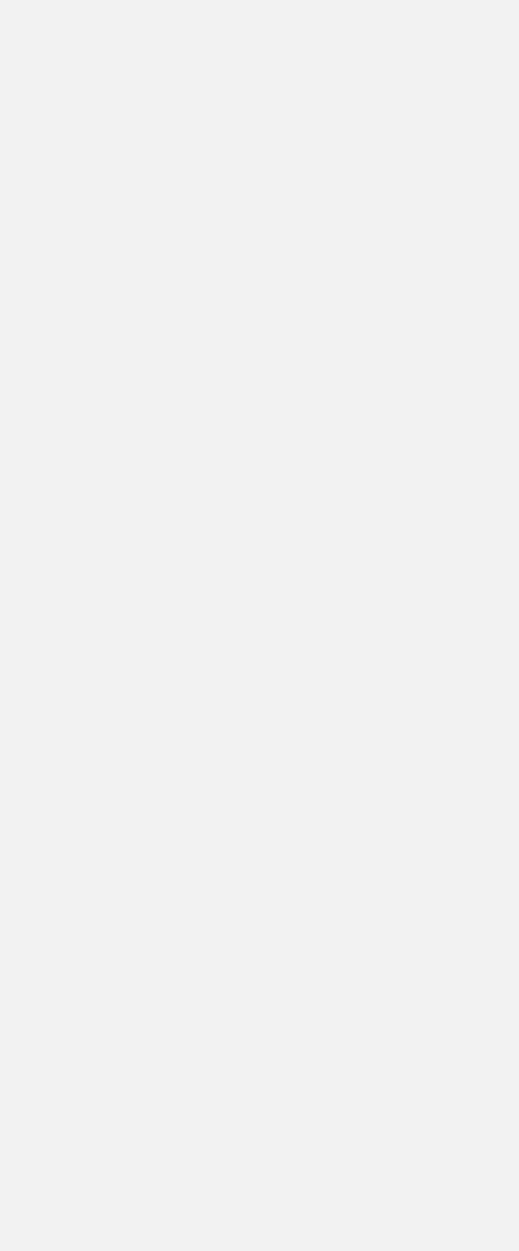


- LEGEND:**
- R.W. = RAW WATER
 - R.V. = ROSEVILLE
 - C.H.= CITRUS HEIGHTS
 - S.J.=SANJUAN
 - F.O. = FAIR OAKS
 - O.V. = ORANGE VALE
 - S.S.= SACRAMENTO SUBURBAN
 - FOLSOM = CITY OF FOLSOM
 - PLANT= SIDNEY N. PETERSON WTP
 - RESERVOIR = HINKLE RESERVOIR
(TRED WATER STORAGE)

SAN JUAN WATER DISTRICT
WHOLESALE WATER SUPPLY AGREEMENT
SAN JUAN AND ADJOINING MEMBER AGENCY
WATER TREATMENT AND CONVEYANCE FACILITIES

EXHIBIT2
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Groundwater Banking – SGA Eastern Area

Program Components/Tasks – Specific Well Projects – 12-10-21

Development of Facilities: Production Well

1. Identify location and purchase property
2. Determine aquifer characteristics – depth to groundwater, water quality, transmissivity
3. Design well and secure permits and approvals
4. Install well and production facilities

Additional Tasks – ASR Well

1. Determine aquifer characteristics – chemistry of blended water, fate of injected water, etc.
2. Conduct any necessary pilot testing
3. Secure any necessary additional approvals (such as Regional Water Quality Control Board approval)

Management of Facilities

1. Define and implement operational plans and protocols
2. Develop and adopt any agreements for partnerships, including ownership and allocation of produced water
3. Allocate necessary staffing, equipment, supplies and budget
4. Monitor and report on operations to oversight organizations and partners

Additional Tasks – ASR Well

1. Develop an accounting protocol to define amount of banked water
2. Identify surface water supplies and develop agreement with provider of these supplies
3. Adopt agreements with any partners for ownership of banked water

Financing of Facilities

1. Manage expenses and budget/revenues during design, construction and operation of facilities
2. Adopt agreements for any financial partnerships between well owner and other project participants

Upcoming Activities

Permitting process – ASR projects

CHWD to implement ASR at the Ella well – scheduled to be complete at the end of 2023

Pilot testing of facilities in 2022

FOWD similar timeframe for Skyway well?

Modeling of aquifer dynamics – use the COSANA model, if possible – check with Rob Swartz to determine if the COSANA model can serve this purpose

Invite Rob Swartz to the next discussion of this group

Ask Rob Swartz/Jim Peifer to set up a meeting of the steering committee of the Groundwater Bank Phase 2 program, to discuss the workplan

Potential meetings:

January 19 afternoon

January 25 afternoon

January 26 afternoon

SACRAMENTO REGIONAL WATER BANK

Governance: Organizational Framework, Functions, and Associated Roles and Responsibilities

Purpose

This paper is one of a series of papers that will introduce and describe the process and considerations related to the implementation of the Sacramento Regional Water Bank (Water Bank). These processes are aspects of Water Bank governance functions.

Background

Governance can be described as “the conceptual model for how an entity is managed, its interactions with and relationship to partners and affiliates, and identification of the operations and systems it oversees.” Water Bank governance components include:

- **Vision and Strategy:** Goals, objectives, principles, and constraints
- **Structure:** Organizational framework, functions, and associated roles and responsibilities
- **Operations Support Tools:** Water accounting, monitoring, and reporting
- **Agreements and Finance:** Framework to incentivize water banking

This paper introduces the **structure** component of Water Bank governance. It outlines the required functions and activities to support successful implementation of the Water Bank, illustrates a general organizational framework to conduct these functions, and describes the associated rules and possibilities. This paper is intended to:

- (1) establish shared understanding and common terminology among the Water Bank Program Committee members and the Water Bank Development Team, and
- (2) help the Program Committee and the technical team maintain consistency in their ongoing engagements with other entities and stakeholders as part of the Water Bank development process.

This paper reflects the feedback from the Program Committee on the draft *Governance: Roles and Responsibilities White Paper* (dated March 3, 2023). It also reflects additional input and feedback received during the Program Committee meetings on April 6 and April 10, 2023.

Required Functions and Activities

The required activities to support a successful Water Bank can be grouped into four functional areas: (1) policy and legal activities, (2) operations activities, (3) administrative activities, and (4) outreach activities. Definitions of these required activities is informed by the *Groundwater Banking Guidelines for the Central Valley Project* (U.S. Department of the Interior, Bureau of Reclamation (Reclamation) 2019) (<https://www.usbr.gov/mp/waterbanking/index.html>), and the *Water Transfers White Paper* (California Department of Water Resources (DWR) and Reclamation 2019) (<https://water.ca.gov/Programs/State-Water-Project/Management/Water-Transfers>).

In addition, regional experience with recent single-year groundwater substitution transfers provides important insights into these activities. For example, activities required for the 2022 groundwater substitution transfers were memorialized in a series of agreements that defined the roles and responsibilities of the parties supporting each transfer. These agreements included:

- **Buyer-Seller Agreements:** For transfer of surface waters involving the water rights holders (i.e., City of Sacramento, San Juan Water District, and Carmichael Water District).
- **Joint Groundwater Substitution Transfer Agreements:** Involving the water rights holders and agencies pumping groundwater as part of a transfer (e.g., Sacramento County Water Agency and Sacramento Suburban Water District).
- **Transfer Administration Memorandum of Agreement:** Involving the sellers (i.e., water rights holders) that established a sellers’ agent, assigned roles and responsibilities for the administrative activities in support of the transfer, and defined fee contributions.
- **Staffing Support Agreement:** With RWA assigned to provide technical assistance for facilitation of transfer-related coordination meetings, development and implementation of monitoring and mitigation plans, conduct of periodic groundwater monitoring, performance of the stream depletion factor analysis, and compliance with reporting requirements for DWR and the State Water Resources Control Board (SWRCB).

Note that the [previous](#) Transfer Administration and Staffing Support agreements provide [examples](#) ~~blueprint~~ for how [certain](#) Water Bank activities may be organized.

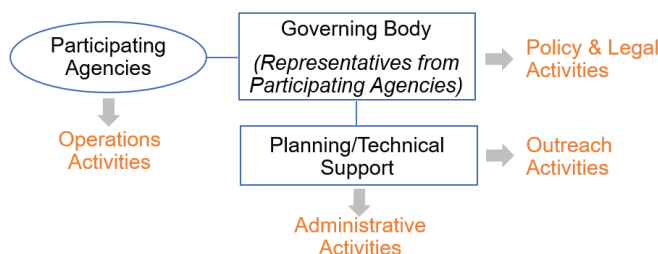
Organizational Framework with Roles and Responsibilities

It is envisioned that Water Bank implementation activities will be carried out by three primary parties, as reflected in the figure below. These include:

- **Participating Agencies:** Defined as ~~RWA Members/Associate Members~~ [water suppliers](#) actively involved in recharge and/or recovery actions under the Water Bank.
- **Governing Body:** Identified representatives of the Water Bank Participating Agencies. Responsible for overall oversight of Water Bank. The Governing Body will operate under a charter or equivalent agreement that will define the decision-making process.
- **Planning/Technical Support:** Conducts administrative, outreach, and related support activities for the Water Bank. The planning/technical support is to be established/determined by the Governing Body with defined responsibilities, scope, and delegated authority.

Commented [A1]: Water bank participants will need to determine if any such body is necessary, and what functions it would serve. Certain water banking tasks, such as development and implementation of a water accounting framework, are already the responsibility of the GSA.

Given that water bank participants are also members of various GSAs, it would add more clarity to this document to distinguish the responsibilities that the GSAs have from the responsibilities that a new “governing body” might have.



Tables 1 through 4 list the roles and responsibilities of each of the three parties, by implementation activity grouping. The roles and responsibilities are indicated using a RACI responsibility assignment matrix, as defined below:

- **R – Responsible** (the entity does the work to complete the task)
- **A – Accountable** (the entity delegates work and is the last one to review or approve the task or deliverable before its deemed complete)
- **C – Consulted** (the entity provides input based on how it will impact their project work or domain of expertise on the deliverable itself)
- **I – Informed** (the entity needs to be apprised of project progress, rather than directly involved in the details)

Table 1. Water Bank Policy and Legal Activities

Activity	Participating Agencies	Governing Body	Planning/ Technical Support
1. Provide oversight and accountability for consistency with Water Bank goal, objectives, principles, and constraints	EA	R	I
2. Facilitate negotiations of Water Bank banking and transfer agreements, including facility usage agreements with DWR and Reclamation	EA	AC	R
3. Approve Water Bank banking and transfer agreements, including facility usage agreements	R	C	C
4. Develop annual Water Bank operations plans (levels of recharge and recovery, allocations to members, etc.)	ER	AC	RC
5. Approve annual Water Bank operations plans (levels of recharge and recovery, allocations to members, etc.)	ER	RC	I
6. Develop Water Bank financial budgets and conduct financial transactions	ER	AC	RC
7. Approve Water Bank financial budgets and financial transactions	ER	RC	I

Commented [A3]: As noted by the previous comment, the only entities that would have responsibility for oversight of the bank are either the participating agencies themselves (for their own operations) or entities with regulatory authority, such as the GSA, the SWRCB or others.

Commented [A2]: As has been discussed in the program committee, the water bank participating agencies are responsible for water bank operations. In conducting those operations, they must comply with the GSP and with requirements established by DWR, Reclamation and the SWRCB, so the GSA may be responsible for some oversight tasks.

Commented [A4]: If so requested by water bank/transfer participants

Commented [A5]: It is unclear what is meant by an annual "operations plan". Such a regional plan has not been necessary for banking operations – banking operations plans (such as recharge operations, groundwater pumping, transfer activities) are currently developed and implemented by individual agencies or partnerships of agencies.

Commented [A6]: Levels of recharge and recovery are decisions that are made by individual agencies, consistent with their water supplies, transfer opportunities (and relevant regulations), compliance with the GSP, etc.

Commented [A7]: Financial transactions for banking operations such as transfers, water purchases, pumping costs, etc. are the responsibility of water bank participants. If there are joint costs (such as technical support on legal issues, monitoring and reporting) those are shared by water bank participants.

Table 2. Water Bank Operations Activities

Activity	Participating Agencies	Governing Body	Planning/ Technical Support
1. Conduct recharge and recovery activities, consistent with approved Water Bank operations plans and commitments	R	I	C
2. Maintain and expand conjunctive use capacity (recharge and recovery capacities)	R	I	C

Table 3. Water Bank Administrative Activities

Activity	Participating Agencies	Governing Body	Planning/ Technical Support
1. Manage the Water Accounting System, including tracking of surface water and groundwater usage, and water transfer transactions.	EA	AR	RI
2. Develop, update, and execute a Regional Monitoring Plan, consistent with DWR, SWRCB, Reclamation, and GSAs requirements. This includes periodic groundwater level monitoring as required by banking and transfer agreements.	EA	AR	RI
3. Develop, update, and execute a Regional Mitigation Plan	EA	AC	RI
4. Manage coordination with GSAs and reporting	EA	AR	RC
5. Manage Reclamation coordination and reporting	EA	AR	RC
6. Manage SWRCB and DWR coordination and reporting, including information required for the Water Transfer Information Management System	EA	AC/R	RI
7. Manage internal and external banking partners coordination and reporting	EA	AC	RI
8. Manage and coordinate water transfers compliance requirements (Reclamation, SWRCB, DWR, and counties)	EA	AC	RI

- Commented [A9]:** Per the previous comment, the GSA would be responsible for implementing the regional monitoring plan for the GSP.
- Commented [A8]:** The regional monitoring plan for the GSP is the responsibility of the GSA. The monitoring plan for transfers is the responsibility of the transfer participants, who may choose to rely on technical support to prepare and implement the plan.
- Commented [A10]:** What mitigation plan is this item referencing? If it is the mitigation plan associated with groundwater substitution transfers, that plan is the responsibility of the water transfer participants to implement.
- Commented [A11]:** If the responsibility is delegated from water bank participants
- Commented [A12]:** Reporting on what transactions? If it is transfers, the water suppliers are accountable and may delegate preparation of the report to a technical support entity. If the reporting is of groundwater pumping to the GSA, that again is the responsibility of the water supplier.
- Commented [A13]:** Per the previous comment, the GSAs are responsible for reporting on implementation of the GSP.
- Commented [A14]:** Same questions (and answers) here as to 4 just above
- Commented [A16]:** If so chosen by the transfer participants
- Commented [A15]:** Reporting on the GSP to DWR is the responsibility of the GSA. Reporting on transfer activities and groundwater monitoring is the responsibility of the transfer participants.
- Commented [A17]:** If so designated by water bank participants
- Commented [A19]:** If the responsibility is so delegated by the water transfer participants
- Commented [A18]:** Water transfer compliance is the responsibility of the water transfer participants.
- Commented [A20]:** As directed by water bank participants
- Commented [A21]:** As directed by water bank participants
- Commented [A22]:** As directed by water bank participants

Table 4. Water Bank Outreach Activities

Activity	Participating Agencies	Governing Body	Planning/ Technical Support
1. Conduct periodic engagement with stakeholder groups for updates on SRWB development and operations	EA	C	RI
2. Manage ongoing public relations activities to build Water Bank awareness and develop educational materials (e.g., <i>Questions of the Week</i> , website content, videos)	EA	C	RI
3. Support state and federal advocacy for the Water Bank	EA	C	RI

Key External Entities

The Water Bank Participating Agencies, Governing Body, and Planning/Technical Support will interact in various capacities with external entities such as banking partners, agencies with regulatory and oversight authorities, stakeholders, and other entities. These key external entities are discussed below:

- **External Banking Partners:** Defined as entities that are not Water Bank Participating Agencies but have entered (or are exploring entering) into banking and transfer agreements with the Water Bank.
- **Entities with Regulatory and Oversight Authority** over some aspects of Water Bank implementation include the following:

- **Groundwater Sustainability Agencies (GSA):** Responsible for Sustainable Groundwater Management Act implementation in the North and South American groundwater subbasins (NASb and SASb) through the approved groundwater sustainability plans (GSP). The Water Bank is required to operate consistent with GSPs for the NASb and SASb.
- **Reclamation:** Responsible for approving federally recognized water banks, overseeing that water bank operations are in compliance with Central Valley Project Improvement Act banking requirements and guidance, and approving water transfers involving Central Valley Project (CVP) facilities and/or CVP water supplies. Reclamation would also serve as the National Environmental Policy Act lead agency for the Water Bank environmental compliance.
- **DWR:** Responsible for approving water transfers involving State Water Project (SWP) facilities and/or SWP water supplies.
- **SWRCB:** Responsible for approving water transfers that involve changes to a post-1914 water right (point of diversion, place of use, or purpose of use).
- **Sacramento County Department of Water Resources:** Responsible for approving permits for water transfers outside Sacramento County.
- **Water Bank Stakeholders:** Defined as interested parties, non-governmental organizations, other organizations, and individuals that are interested in, or potentially affected by, the operations of the Water Bank.