

Exhibit B

Address all  
communications to:  
The Regional Direct

In Reply Refer To:  
2-152

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Regional Office, Region 2  
P.O. Box 2511  
Sacramento, California

MAR 20 1952

Memorandum

To: Regional Counsel  
From: Regional Water Rights Engineer  
Subject: Informal agreement regarding settlement of water rights of  
North Fork Ditch Company

I am happy to report that in a meeting yesterday with Mr. L.K. Jordan, Chief Engineer and Manager of the North Fork Ditch Company, an informal agreement was reached regarding the annual quantity and rate of delivery of the water supply from Folsom Dam to the North Fork Ditch Company. The informal agreement regarding the water supply was as follow.

(a) The rate of delivery of water to the contractor (North Fork Ditch Company) by the Government at any particular time shall not exceed 75 c.f.s.

(b) The total quantity of water delivered to the contractor by the Government in any one calendar year shall not exceed 33,000 acre-feet.

(c) The Government, within the limitations established in (a) and (b) above, and the further limitation that the water must be devoted to a beneficial use, shall deliver to the contractor as much water as the contractor may request. Requests by the contractor for delivery shall be submitted to the contracting officer in writing. Requests covering the quantity and rate desired shall cover a calendar year by months, and shall be submitted not later than the first of December of the preceding year; provided, however, that the said rate may be amended at any time upon two days' written notice, and in the event of emergency will be changed immediately.

(d) No interest in the water rights possessed by the contractor shall be considered to have been transferred to the Government, and no storage space in Folsom Reservoir shall be considered as being involved in the proposed contract, except to the minimum extent in each instance necessary to enable the Government to make the water deliveries as stated above.

Except for the actual figures for the rate of delivery and the annual quantity of water, the above agreement appeared substantially the same in the contract, No. DA-04-167-330, between the United States and the Natomas Water Company, dated 18 June 1951.

During the last six months, negotiations have been in process between Mr. Jordan and engineers of my staff with the assistance of Mr. Bonbrake of the Delta District office. During this period, an investigation was made regarding the water rights of the Company and the water supply for the six-year period 1946 through 1951.

The first filing for a water supply for the subject area was made in 1853, and recorded in Placer County. This filing was for the diversion of 3,000 miner's inches (60 c.f.s.) of the water of the North Fork of American River. An adjudication was made of this right in 1899 in the Superior Court of the State of California in the County of Sacramento (Sacramento Electric, Gas and Railroad Company v. C.W. Clark, H.G. Smith, A.N. Buchanan, Action No. 7815, Adjudgment No. 5353).

In addition to the adjudicated right of 60 c.f.s., the Company has been using water under Permit 4809 for 35 c.f.s., issued on October 26, 19

Hydrological data used in our investigations were obtained from the files of the Company, which consisted chiefly of daily records of river diversions and canalside deliveries or sales; and data regarding transpiration, conveyance, and operational water losses. An inspection of the Company's water system was made by members of my staff. Our investigation revealed that during the six-year period 1945-1951, the river diversions ranged from a minimum of 33,900 to 39,600 acre-feet, with an average of 37,300 acre-feet, and on the basis of maximum monthly diversions constituting a probable maximum water year, the total annual quantity would be about 42,800 acre-feet. Canalside deliveries for the same period ranged from 20,000 to 24,400 acre-feet, with an average of 21,800 acre-feet, and with a maximum monthly delivery of 27,200 acre-feet for the probable maximum water year.

On the basis of the above water diversions and deliveries, our study of the conveyance losses in some 25 miles of canal, which will be inundated by Folsom Reservoir, indicated that the quantities of water at the new Hinkle Reservoir (point of severance) would be as follows:

(a) Average quantities of diversions and corresponding deliveries for the six-year period, 27,700 acre-feet annually;

(b) Maximum monthly canalside delivery and corresponding monthly diversion, 33,000 acre-feet;

(c) Maximum rate of diversion was 72 c.f.s. and occurred in the month of July 1947.

Our settlement regarding the annual quantity of water of 33,000 acre-feet was predicated on the maximum monthly canalside deliveries and the corresponding monthly diversions for the period of record. The maximum rate of delivery to the Company of 75 c.f.s. was based upon the ability of the Company to adequately supply the water needs of the Company's service area, keeping in mind that the United States also will be serving adjacent area and in some cases, furnishing a supplemental supply to water users within the Company's area from the proposed Folsom North Canal. Allowing a maximum rate of 75 c.f.s. would enable the Company to serve lands which could be excluded from the service area of the Folsom North Canal at a savings in cost to the United States for the construction of the distribution and lateral systems in part of the Fair Oaks Irrigation District service area.

I recommend that the foregoing informal agreement regarding the water supply for the North Fork Ditch Company be adopted and used in the formal agreement to be presented in the proposed contract between the United States (Corps of Engineers) and the North Fork Ditch Company.

Leland K. Hill

L. K. Hill  
Regional Water Rights Engineer

Copy to: Mr. L. K. Jordan  
North Fork Ditch Co.  
Forum Bldg.  
Sacramento, Calif.

Mr. O. H. Hart  
Corps of Engineers  
Wright Bldg.  
Sacramento, Calif.

Regional Engr. (Attn. Mr. Somerville)  
Regional Plan. Engr.  
Regional Supvr., O&M  
Assist. Reg. Cnsl. (Water Rights)  
District Manager, Stockton