Friant Water Authority
Executive Committee Meeting Agenda

9:00 a.m., Monday, August 14, 2017 at Lindsay Office
Conference Room
854 N. Harvard Ave, Lindsay, CA 93247

At the discretion of the Executive Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated upon and may be subject to action by the Committee. Order of agenda items is subject to change.

1. Call to Order.

2. Additions to and approval of the agenda. Items identified after posting of the agenda, for which there is a need to take immediate action, may be added to the agenda. Addition of an item requires a two-thirds vote of the Committee members (or if less than two-thirds of the members are present, a unanimous vote of the members present). [Government Code section 54954.2(b)]

3. Approval of the July 17, 2017 meeting minutes.

4. Public Comment. (Government Code section 54954.3) – This is the time set aside on the agenda where members of the public may comment on any matter within the jurisdiction of the Committee that is not on the agenda. Comments will be limited to 3 minutes per speaker, 15 minutes per subject and 30 minutes overall for the entire public comment period, unless otherwise approved by the chair of the meeting, to ensure that all interested parties have an opportunity to speak. The Committee cannot take action on items not on the agenda; and therefore, comments on such items may be taken under advisement, referred to the appropriate staff for response or directed to be placed on a future agenda. Public comment on items on the agenda will be allowed at the time the Board considers the item.

OPEN SESSION

   A. Update on Temperance Flat Project.
   B. Consideration of recommendation to approve Conveyance Agreements with Patterson Irrigation District and Banta-Carbona Irrigation District for recapture of Restoration Flows.

   A. 2018 Water Bond - Update
   B. Review of pending state and federal legislation.

7. General Counsel’s Report. Updates and other items of interest to the Executive Committee, not already covered in the agenda.

8. Chief Operating Officer’s Report. Updates and other items of interest to the Executive Committee, not already covered in the agenda.
   A. Subsidence Issues – An update on subsidence issues.
   B. Pump-back Project Update – An update on the pump-back project.
Friant Water Authority
Executive Committee Meeting Agenda

9. Chief Executive Officer’s Report. Updates and other items of interest to the Executive Committee, not already covered in the agenda.
   A. New Funding Requests for outreach
      i. Don Wright
      ii. Mike Wade: Cultivate California
   B. FWA Membership – Consider Lower Tule River Irrigation District as Trial Member.
   C. FY 2018 General Member Budget - Recommend approval by the Board of the Draft FY 2018 General Member Budget and submission to home boards for approval prior to final action at the September BOD meeting.

CLOSED SESSION

10. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Government Code section 54956.9(d)(1)] – Name of matter: NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-1658-LKK-GGH.


12. CONFERENCE WITH LEGAL COUNSEL—INITIATION OF LITIGATION [GOVERNMENT CODE SECTION 54956.9(d)(4)]—Initiation of Litigation: 3 potential cases.


A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority to provide a disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the Authority. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, facsimile, or written correspondence to Toni Marie, at the office of Friant Water Authority, at least 48 hours before a public Authority meeting.
Friant Water Authority Executive Committee Meeting  
August 14, 2017  
Agenda Detail Sheet

AGENDA TOPIC: Conveyance agreements with Patterson ID and Banta-Carbona ID for Recapture of Restoration Flows

DESCRIPTION: In 2016, FWA entered into conveyance agreements with Patterson Irrigation District (PID) and Banta Carbona Irrigation District (BCID) for the recapture and conveyance of Restoration Flows that were released past Sack Dam. A total of 832 AF of Restoration Flows were recaptured and conveyed pursuant to the 2016 agreements. Similar circumstances exist this year whereby Restoration Flows are being and will continue to be released past Sack Dam for the remainder of the current water year, although the districts do not expect to have capacity to recapture any Restoration Flows until October or November. Since the U.S. Bureau of Reclamation (Reclamation) has not yet implemented the necessary protocols and procedures to recapture Restoration Flows in the Delta, the only way to recapture Restoration Flows released past Sack Dam is to enter into agreements with the districts that have diversion facilities with fish screens on the lower SJR that can convey the water to the Delta Mendota Canal (DMC).

The final terms for the conveyance are still being discussed with the districts, but are expected to be the same as or similar to the terms in the 2016 conveyance agreements, the most important of which are no losses imposed by PID and BCID and a conveyance rate of $100 per AF. Copies of the two draft agreements are attached.

The mechanism for determining which Friant Division districts will have access to, and bear the responsibility of paying the costs for, the Restoration Flows recaptured under the proposed agreements is a Repayment Agreement between FWA and the districts electing to participate and commit to pay the associated costs. Other costs will include charges from the San Luis & Delta Mendota Water Authority for conveyance of the recaptured Restoration Flows in the south-of-Delta CVP facilities that they operate and/or DWR for conveyance of water in the California Aqueduct if there is insufficient capacity in the DMC. A copy of the proposed Repayment Agreement is attached.

Environmental documentation for the proposed actions has been conducted by Reclamation under NEPA. The State Water Resources Control Board has approved the recapture of Restoration Flows at PID and BCID pursuant to a temporary water rights order, in which they noted that the proposed action is exempt from CEQA as a temporary transfer of water.
**RECOMMENDATION:** Staff recommends that the Executive Committee recommend that the Board a) authorize the CEO and/or COO to finalize negotiations with PID and BCID and execute the conveyance agreements and b) authorize the CEO and/or COO to execute the Repayment Agreement.

**BUDGET IMPACT:** There will be no net impact to the FWA General Member Budget, either in the current fiscal year or the 2017-18 Fiscal year. FWA will submit payments as invoiced by the two districts and other entities participating in conveyance of recaptured Restoration Flows and will bill the participating districts to recover such costs.

**SUGGESTED MOTION:** Move to recommend to the Board of Directors that the CEO and COO be authorized to a) finalize negotiations with PID and BCID and execute the conveyance agreements and b) execute the Repayment Agreement For Recapture Of Restoration Flows In Lower San Joaquin River as submitted to the Board.

**ATTACHMENT:**
1. Draft Temporary Agreement For Conveyance Of Water with Patterson ID
2. Draft Temporary Agreement For Conveyance Of Water with Banta Carbona ID
3. Draft Repayment Agreement For Recapture Of Restoration Flows In Lower San Joaquin River
Friant Water Authority  
Executive Committee Meeting Minutes  

9:00 a.m., Monday, July 17, 2017 at Lindsay Office  
Conference Room  
854 N. Harvard Ave, Lindsay, CA 93247  

1. **Call to Order.** Chair Kent Stephens called the meeting to order at 9:00 a.m. Committee members present: Stephens, Tantau, Borba, Camp, White, Borges (Alt); Staff present: Phillips, DeFlitch, Marie, Davis, Payne, Biering, Ottemoeller, Luce, Bezdek. Others: Muhar, Collup, Edwards, Morrissey, Edwards, Dalke, Brittian, Wright; Committee members absent: Loeffler (Alt)  

2. **Additions to and approval of the agenda.** The agenda was approved. (Camp/White); approved unanimously) Ayes – Stephens, Tantau, Camp, White, Borba; Nays – none; Absent – none  

3. **Approval of the April 17, 2017 meeting minutes.** The minutes were approved. Tantau/Camp); approved unanimously) Ayes – Stephens, Tantau, Camp, White, Borba; Nays – none; Absent – none  

4. **Public Comment.** (Government Code section 54954.3) – Don Wright spoke to the group looking for advertisement and sponsorship monies for an on-line publication that would allow him to cover districts in Northern California. Chair Kent Stephens said Friant would look at the request when received.  

**OPEN SESSION**  

5. **Water Resources Coordinator’s Report.**  
   A. **Update on Temperance Flat Dam Project** - Jeff Payne, Water Resources and Operations Coordinator, gave an update on SJVWIA membership and reviewed the “Draft terms for Friant Support of the Temperance Flat Proposition 1 Application” included in the packet. No action was taken.  

6. **Government Affairs Manager’s Report.**  
   A. **Review of pending state and federal legislation.** Alex Biering, Government Affairs and Communications Manager reported briefly the status of both Federal and State legislation as outlined in the Agenda Detail Sheet (ADS) included in the packet.  
   B. **Staff coverage during upcoming leave.** Alex Biering reported that FWA staff would assume many of her responsibilities on policy issues while the Ferguson Group would cover Federal legislative matters; the Villines Group would cover State legislative matters; and communications and media relations would be covered by Clerici Consulting.  

7. **General Counsel’s Report.** Updates and other items of interest to the Executive Committee, not already covered in the agenda. No report.  

8. **Chief Operating Officer’s Report.** Updates and other items of interest to the Executive Committee, not already covered in the agenda.  
   A. **Subsidence Issues** – COO DeFlitch gave a brief update on subsidence issues as the group continues to explore canal fixes and associated costs.  
   B. **Pump-back Project Update** – COO DeFlitch gave an update on the pump-back project saying that the Water Quality Steering Committee held its first meeting which was productive.
9. Chief Executive Officer's Report. Updates and other items of interest to the Executive Committee, not already covered in the agenda.

   A. Draft Strategic Plan Accomplishment Report – CEO Phillips reported that staff has begun formulating the GM budget needs for FY 2018 and went through and discussed the draft budget attached to the ADS in the packet. He also said that after he receives comments from the Executive Committee and Board, he would bring back an additional draft to the Board’s August 24, 2017 meeting, which would allow time for home boards to review it prior the September 28, 2017 FWA Board meeting where he hoped a final FY 2018 GM budget would be approved.

   B. Update on FWA Membership – The Executive Committee considered and approved a recommendation to the Board of Directors that they accept Chowchilla Water District as an Associate Member, with the following terms: Membership will extend until January 31, 2018 and there would be no dues charged to CWD; if the workplans between the Friant North Authority and FWA are updated for 2018, and CWD continues to be a contributor to those workplans, then the term of Associate membership would be extended until December 31, 2018. (Borba/White); approved unanimously) Ayes – Stephens, Tantau, Camp, White, Borba; Nays – none; Absent – none

CLOSED SESSION

10. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Government Code section 54956.9(d)(1)] – Name of matter: NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-1658-LKK-GGH.


12. CONFERENCE WITH LEGAL COUNSEL—INITIATION OF LITIGATION [GOVERNMENT CODE SECTION 54956.9(d)(4)]—Initiation of Litigation: 3 potential cases.

13. Announce reportable action taken during closed session as required by Government Code Section 54957.1. There was no reportable action taken during closed session.

14. Adjournment. The meeting adjourned at 12:09 p.m.
# Legislative Tracker

**FRIANT WATER AUTHORITY**

**August 29th, 2017**

## State Bills

<table>
<thead>
<tr>
<th>Bill</th>
<th>Title (Author) &amp; Date</th>
<th>Description</th>
<th>Positions</th>
<th>FWA</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 18</td>
<td>California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Garcia) – 2/23 version</td>
<td>Would enact an act which, if approved by the voters, would authorize the issuance of bonds in an amount of $3,105,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.</td>
<td>PRO: Audubon, League of CA Cities, TNC, land trusts, park advocates OPP: None</td>
<td>FWA</td>
<td>NYC Senate Natural Resources &amp; Water as of 6/28</td>
</tr>
<tr>
<td>AB 176</td>
<td>Water project: Friant-Kern Canal (Salas) – 1/18 version</td>
<td>Would appropriate $7,000,000 from the General Fund to the Department of Water Resources for the Friant-Kern Canal Pump-back Project. Current law requires DWR, upon appropriation by the Legislature, to provide funding for the project (under AB 935 passed and signed in 2016). This bill also contains other related provisions for implementation.</td>
<td>PRO: FWA, California Citrus Mutual, 48 individuals, California Fresh Fruit Association, Sun World International, South Valley Water Association &amp; districts OPP: None</td>
<td>S</td>
<td>Portion of funding proposed incorporated into signed 2018 CA Budget</td>
</tr>
<tr>
<td>AB 313</td>
<td>Water (Gray) – 7/18 version</td>
<td>Would effectively eliminate the State Water Resources Control Board by reassigning its major responsibilities and regulatory authorities to DWR and the Office of Administrative Hearings, and would also move oversight and administration of the State Water Project to a new state commission under the California Natural Resources Agency.</td>
<td>PRO: Ag/growers associations and groups, Westlands Water District, SLDMWA, other irrigation districts OPP: Audubon, Sierra Club, and other enviro NGOs</td>
<td>NYC</td>
<td>Passed from Senate Judiciary to Appropriations on 7/11</td>
</tr>
<tr>
<td>AB 321</td>
<td>Groundwater sustainability plans (Mathis) – 4/27 version</td>
<td>Would require groundwater sustainability agencies under SGMA to involve farmers and ranchers in the development of groundwater sustainability plans.</td>
<td>PRO: Calif. Water Association OPP: ACWA</td>
<td>NYC</td>
<td>Senate passed 7/3; signed by the Governor 7/18</td>
</tr>
</tbody>
</table>

1 Updates since the last version are included in **bold text**.
<table>
<thead>
<tr>
<th>Bill</th>
<th>Title (Author) &amp; Date</th>
<th>Description</th>
<th>Positions</th>
<th>FWA</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 791</td>
<td>Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility (Frazier) – 3/21 version</td>
<td>Would require, before a water contractor enters into a contract to pay for costs related to WaterFix, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.</td>
<td>PRO: Clean Water Action, Sierra Club, NGOs</td>
<td>NYC</td>
<td>Failed to be acted on by deadline for 2017, and may be acted on in January 2018 (two-year bill)</td>
</tr>
<tr>
<td>AB 975</td>
<td>Natural resources: wild and scenic rivers (Friedman) – 5/4 version</td>
<td>Would make California’s Wild and Scenic River requirements consistent with the federal Wild and Scenic River Act requirements. This includes (1) extending protected areas of the river to include adjacent lands in a ¼-mile buffer on either side of the river (currently the definition includes only up to the river’s line of riparian vegetation) and (2) recognizing additional “values” of the river including historical, cultural, geologic, ecological, botanical, hydrological, and other “similar” values. Currently, state Wild and Scenic Rivers include mostly north state and north coast rivers, as well as a few that drain into the Lahontan basin. These rivers were placed under federal Wild and Scenic River Act protection in 1980, also, so at the federal level #1 and #2 already apply.</td>
<td>PRO: Enviro NGOs, sport fishing groups</td>
<td>OPP: None</td>
<td>NYC</td>
</tr>
<tr>
<td>AB 1369</td>
<td>Water quality and storage (Gray) – 2/17 version</td>
<td>Would require the Department of Water Resources to increase statewide water storage (ground or surface) capacity by 25% by January 1, 2025, and 50% by January 1, 2050, using revenue generated and collected in the Greenhouse Gas Reduction Fund. The Greenhouse Gas Reduction Fund is the repository of funds collected by the California Air Resources Board through auction or sale of emissions allowances under the state’s “cap-and-trade” market-based emissions reduction program.</td>
<td>PRO: None</td>
<td>OPP: MWD, Cucamonga Valley Water District, Three Valleys Municipal Water District, Westlands Water District, Coachella Valley Water District, Mojave Water Agency, Antelope Valley East Kern Water Agency, Alameda County Zone 7 Water Agency</td>
<td>NYC</td>
</tr>
<tr>
<td>AB 1427</td>
<td>Water: underground storage (Eggman) – 3/21 version</td>
<td>Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would revise the above declaration to additionally provide that certain uses of stored water while underground constitute beneficial use.</td>
<td>PRO: None</td>
<td>OPP: MWD, Cucamonga Valley Water District, Three Valleys Municipal Water District, Westlands Water District, Coachella Valley Water District, Mojave Water Agency, Antelope Valley East Kern Water Agency, Alameda County Zone 7 Water Agency</td>
<td>NYC</td>
</tr>
<tr>
<td>Bill</td>
<td>Title (Author) &amp; Date</td>
<td>Description</td>
<td>Positions</td>
<td>FWA</td>
<td>Status</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>AB 1667</td>
<td>Agricultural water management planning</td>
<td>Current law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update that plan on December 31, 2015, and on or before December 31 every 5 years thereafter. This bill would revise the components of the plan and additionally require the agricultural water management plan to quantify measures to increase agricultural water use efficiency, describe the agricultural water supplier’s water management strategy with specified elements, and include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. Applies to districts with 10,000 acres or more.</td>
<td></td>
<td></td>
<td>Held in committee (Senate Natural Resources &amp; Water) on 7/11. Comments from agencies and individuals due 7/21. May be incorporated into a new bill.</td>
</tr>
<tr>
<td>SB 5</td>
<td>California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (De León)</td>
<td>Senate version of AB 18. Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of $3,500,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.</td>
<td></td>
<td></td>
<td>Assembly Water, Parks &amp; Wildlife</td>
</tr>
<tr>
<td>SB 49</td>
<td>California Environmental, Public Health, and Workers Defense Act of 2017 (De León)</td>
<td>The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and generally prohibits the taking of those species. The Protect California Air Act of 2003 prohibits air quality management districts and air pollution control districts from amending or revising their new source review rules or regulations to be less stringent than those rules or regulations that existed on December 30, 2002. This bill would prohibit state or local agencies from amending or revising their rules and regulations implementing the above state laws to be less stringent than the baseline federal standards, as defined, and would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species.</td>
<td></td>
<td></td>
<td>Passed from Assembly Judiciary (8-3, party line) and sent to Appropriations on 7/11</td>
</tr>
<tr>
<td>SB 372</td>
<td>San Joaquin River Exchange Contractors Groundwater Sustainability Agency – (Cannella)</td>
<td>Would create the San Joaquin River Exchange Contractors Groundwater Management Agency.</td>
<td></td>
<td></td>
<td>Passed from Assembly Water, Parks &amp; Wildlife (15-0) and sent to Appropriations on 7/11</td>
</tr>
<tr>
<td>Bill</td>
<td>Title (Author) &amp; Date</td>
<td>Description</td>
<td>Positions</td>
<td>FWA</td>
<td>Status</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>SB 623</td>
<td>Water quality: Safe and Affordable Drinking Water Fund (Monning) – 7/3 version</td>
<td>Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the office. The bill would require the State Water Resources Control Board to administer the fund to assist communities and individual domestic well users to address contaminants (primarily nitrates) in drinking water that exceed safe drinking water standards, as specified. The bill would authorize the board to provide for the deposit of federal contributions and voluntary contributions, gifts, grants, or bequests. Funds would be contributed through payments and tax increases on agricultural and municipal water districts. Ag protection would exist for 15 years. Funding mechanism isn’t entirely worked out. Fees are still under discussion.</td>
<td>PRO: Enviro NGOs, Western Growers Association, Latino coalitions, clean water groups, labor groups, some valley cities OPP: ACWA, municipal water districts and utilities, some ag water districts, sportfishermen, NorCal enviro NGOs</td>
<td>NYC</td>
<td>Passed from Assembly Environmental Safety and Toxic Materials, Natural Resources and sent to Appropriations on 7/11</td>
</tr>
</tbody>
</table>
## Federal Bills

<table>
<thead>
<tr>
<th>Bill</th>
<th>Title (Author)</th>
<th>Description</th>
<th>FWA</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR 23</td>
<td>Gaining Responsibility on Water Act (Valadao) – 7/12 version</td>
<td>Would enact a number of policies related to California water law and water users. The bill includes a number of elements from other water legislation introduced in Congress in recent years, including related to increased monitoring and incidental take limit for Delta smelt, the San Joaquin River Restoration Settlement and Act (which the bill seeks to repeal), and fast-tracking feasible storage projects such as Temperance Flat.</td>
<td>S&amp;A</td>
<td>Amendments debated in the Rules Committee and subsequently passed on the House floor (230-190) on 7/12</td>
</tr>
<tr>
<td>HR 434</td>
<td>New Water Available To Every Reclamation State Act (Denham) – 1/11 version</td>
<td>Would authorize the Department of the Interior, for 15 years after this bill's enactment, to provide financial assistance, such as secured loans or loan guarantees, to entities that contract under federal reclamation law to carry out water projects within the 17 western states served by the Bureau of Reclamation, other states where the Bureau is authorized to provide project assistance, Alaska, and Hawaii.</td>
<td>NYC</td>
<td>Ref’d to the Subcommittee on Water, Power and Oceans on 2/7</td>
</tr>
</tbody>
</table>
TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER
(San Joaquin River Restoration Flows)

This AGREEMENT FOR CONVEYANCE OF WATER (“Agreement”) is effective as of _______, 2017, and is between the Patterson Irrigation District, a California irrigation district (“PID”) and the Friant Water Authority, a California joint powers authority (“Friant”) contracting on behalf of all Friant Division Contractors, with reference to the following facts:

A. This Agreement is entered into concurrently by Friant with that certain “REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN LOWER SAN JOAQUIN RIVER (Water Year 2017)” (“Repayment Agreement”), the recitals of which are hereby incorporated by reference, including all defined terms.

B. PID owns facilities capable of diverting water from the San Joaquin River channel and conveying it to the Delta-Mendota Canal (“DMC”).

C. Friant anticipates that it will need conveyance services to recover San Joaquin River Restoration Flows (“SJRRF”) during the 2017 water year. from the San Joaquin River to the DMC so that the SJRRF can be physically delivered to Friant via south-of-Delta Central Valley Project facilities including, but not limited to, the DMC, O’Neill Pumping Plant, O’Neill Forebay, San Luis Reservoir and San Luis Canal, as well as State Water Project facilities and other third party conveyance facilities, as necessary to deliver water to the Friant service area.

D. PID is willing to provide such conveyance from the San Joaquin River channel to the DMC on the terms set forth in this Agreement.

THEREFORE, the parties agree as follows:

1. Recitals. The recitals and facts set forth above are true and correct and are incorporated herein by this reference.

2. Term. This Agreement is effective upon the date first written above and will terminate on February 28, 2018 (“Term”).

3. Conveyance. Subject to the provisions of this Agreement, during the Term, PID will convey up to 29,000 acre feet of SJRRF for the benefit of Friant or its designees through PID’s facilities and deliver such SJRRF into the DMC. For purposes of this Agreement, conveyance of SJRRF includes diversion of that water from the San Joaquin River as well as the conveyance and delivery thereof via PID facilities into the DMC at MP 42.53-L1RW. No SJRRF will be stored in PID facilities under this Agreement.

4. Conveyance Rate. SJRRF will be conveyed under the terms and conditions of the Agreement at a rate to be determined by PID to be available subject to the priorities described in Section 7 below.

5. Construction. Friant acknowledges that PID is planning to construct improvements to its water conveyance facilities that may require the facilities to be shut down. As a result, the conveyance goal may not be met during the Term due to construction. PID agrees to undertake reasonable efforts to convey the full 29,000 acre feet annually despite such constraints, but will not be in violation of this Agreement if it is unable to do so.

6. Acquisition of SJRRF. Friant is solely responsible for any actions and costs required to permit SJRRF to be conveyed by PID pursuant to this Agreement. Friant is also solely responsible for causing SJRRF to arrive at PID’s diversion facilities on the San Joaquin River and for any and all costs
and arrangements required in order for that water to thereafter be placed into and conveyed through the DMC.

7. **Priorities.** PID’s obligations to use its facilities for the conveyance of SJRRF under this Agreement will at all times be subordinate in priority to: (1) PID’s use of those facilities, and (2) any disclosed pre-existing written agreements or pre-approved arrangements for water delivery to third parties as noted in Exhibit A. Subject to the foregoing, PID may utilize its facilities for arrangements with other parties, provided that PID will not voluntarily engage in any subsequent activities or enter into any other arrangements that would interfere with its ability to perform under this Agreement or that would grant other parties a right to utilize PID’s facilities senior or equal to Friant’s rights under this Agreement.

8. **Scheduling.**

   a. PID and Friant will work cooperatively to schedule the conveyance of SJRRF by PID under this Agreement. Friant understands that there will be times when capacity to convey SJRRF will be unavailable or unknown in advance. The parties acknowledge that it may not be feasible for Friant and its designees to identify or predict specific quantities of SJRRF to PID’s diversion facilities on the San Joaquin River during periods when conveyance capacity is available for SJRRF in PID’s facilities. Friant will make reasonable efforts to provide notice to PID regarding the amount of SJRRF expected to be available at PID’s diversion facilities on the San Joaquin River during available conveyance periods, but Friant will not be in default under this Agreement to the extent such SJRRF are not so available. Friant will only be liable for unused capacity set aside for conveyance of SJRRF pursuant to Section 13 unless it provides notice at least 14 days in advance that reserved capacity is no longer needed.

   b. Before the first of each month during the Term, Friant will submit a schedule of SJRRF anticipated to be available at the PID diversion facilities, and PID will use reasonable efforts to convey the maximum amount of available SJRRF, subject to its diversion capacity and applicable priorities described in this Agreement. If Friant does not provide the notice required by this Section, PID will not be required to provide any conveyance under this Agreement in that month, and will be free to utilize its available capacity in that month to provide wheeling services to others. Friant and PID will work cooperatively each month to reconcile the amount of SJRRF water available for conveyance, the amount of SJRRF diverted and the amount of SJRRF discharged into the DMC for the purpose of reporting to Reclamation and SLDMWA.

9. **Constraints on Facilities.** PID’s obligations under this Agreement are subject and subordinate to the following conditions:

   (a) the terms and conditions of the Approvals (as defined below);

   (b) applicable federal and state laws now in existence or adopted during the Term of this Agreement, and as modified from time to time, affecting PID’s rights or obligations or ability to divert from the San Joaquin River; or

   (c) low flow in the San Joaquin River or other adverse hydrologic conditions that make it impossible or impracticable for PID to pump SJRRF from the San Joaquin River, which conditions will be deemed a force majeure event governed by Section 11 of this Agreement;

10. **Regulatory Requirements Beyond a Party’s Control.** SJRRF to be conveyed under this Agreement may be reduced due to failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations of PID or other relevant facilities; and any action, legislation, ruling or determination adverse to a party affecting the Agreement and beyond the reasonable control of such party. An affected party will make a good faith effort to oppose such reductions, but the affected party will not be liable for reductions of supply due to such causes.
11. **Force Majeure.** If by reason of a Force Majeure Event (defined below) either party is rendered unable wholly or in part to carry out its obligations under this Agreement, then such party will give notice and full particulars of such Force Majeure Event in writing to the other party within a reasonable time after occurrence of the event or cause relied on, and such party’s obligation, so far as it is affected by such Force Majeure Event, will be suspended during the continuance of the inability then claimed, but for no longer period, and such party will endeavor to remove or overcome such inability with all reasonable dispatch. The term “**Force Majeure Event**” means, but is not be limited to, an event not the fault of, and beyond the reasonable control of, either party which makes it impossible or impracticable for that party to perform obligations imposed on it by this Agreement, by virtue of its effect on physical facilities and their operation or employees essential to such performance. Force Majeure Events include but are not limited to (1) an “act of God” such as an earthquake, flood, earth movement, lighting, fire, storms, washouts, droughts, landslides, or similar catastrophic event, (2) an act of the public enemy, terrorism, sabotage, vandalism, contamination, civil disturbance of similar event, (3) a strike, work stoppage, lockout, civil or industrial disturbance or similar event, (4) delays in construction caused by negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts, (5) breakage or accidents to machinery, buildings, equipment, pipelines or canals, partial or entire failure of water supply, or (6) an order or regulation issued by a federal, state or local regulatory agency or a judgment or order entered by a federal or state court.

12. **Curtailment of Conveyance.** PID has the right to temporarily discontinue or reduce conveyances under this Agreement (1) as reasonably required to perform scheduled routine or emergency maintenance, and (2) as needed to perform any system modifications. PID will give Friant reasonable notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Any repairs, maintenance, replacement, or other work that will necessitate taking all or a portion of the conveyance system out of operation will, to the extent practical, be undertaken between November and February, inclusive. Upon resumption of service after such reduction or curtailment, PID will attempt to convey the quantity of water that would have been furnished hereunder in the absence of such discontinuance or reduction.

13. **Conveyance Fee.** As payment for conveyance of SJRRF under this Agreement, Friant will pay PID a total fee of $100 per acre foot of SJRRF so conveyed, measured by PID upon turnout at the DMC, payable within 30 days after the last day of the calendar month during which such SJRRF is conveyed. Such fee includes without limitation all administrative, operations, maintenance, conveyance, energy and other costs incurred or imposed by PID for conveying SJRRF under this Agreement. By the tenth day of each calendar month, PID will provide Friant with an invoice indicating the amount of SJRRF conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 8 above that it intends to convey water under this Agreement in any given month, and such water is available for conveyance by PID, Friant will be required to make payment to PID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by PID to convey other water.

14. **Losses.** No losses of water will be imposed by PID on SJRRF conveyed under this Agreement.

15. **Approvals.** The parties acknowledge that, in order for SJRRF to be acquired by Friant and conveyed by PID, certain regulatory approvals and consents (the “**Approvals**”) may be required, including without limitation (i) approvals by the California State Water Resources Control Board and (ii) approvals and issuance of a conveyance agreement by the United States Department of the Interior and/or San Luis and Delta Mendota Water Authority, as appropriate, for conveyance of SJRRF water in the DMC. The parties will diligently and cooperatively pursue all Approvals and will each dedicate at no charge to the other such staff as is reasonably necessary to obtain them. The out of pocket expenses for obtaining the Approvals will be borne by Friant. Each party will execute such other documents as may
be necessary in order to permit the conveyance of SJRRF under this Agreement. Receipt of all Approvals is a condition precedent to the parties’ obligations hereunder other than the parties' obligations under this Section 15 and Section 17.

16. No Transfer or Assignment. This Agreement may not be assigned in whole or in part by Friant without the prior written consent of the PID, which may be withheld in PID’s sole and absolute discretion. Notwithstanding the foregoing, Friant may permit other designated agencies to utilize all or any portion of the PID conveyance capacity made available to Friant under this Agreement by providing written notice to PID that it has so designated such other agency(ies). Friant will remain liable for all payments and obligations required of Friant under this Agreement notwithstanding such designation, and all water conveyed by PID hereunder for Friant’ designees will be deemed conveyed for Friant hereunder.

17. Environmental Compliance. Compliance with the California Environmental Quality Act (“CEQA”) and all other applicable environmental laws with respect to the actions contemplated by this Agreement is a condition precedent to the parties’ obligations hereunder other than the parties’ obligations under this Section 17 and Section 15. The parties acknowledge and agree that to their best knowledge, compliance with CEQA has been satisfied based on the actions described in the recitals to the Repayment Agreement. Nevertheless, if additional CEQA review and compliance is determined to be required, each party agrees to promptly prepare all appropriate environmental documents, if any are required, for it to undertake the actions contemplated in this Agreement and will dedicate at no charge to the other such staff as is reasonably necessary in connection therewith. The parties will cooperate to diligently complete, or cause the completion of, all environmental review required in order to implement this Agreement, and will use reasonable efforts to reduce any overlap in analyzing, mitigating, or studying environmental impacts associated with the actions proposed in this Agreement. All out of pocket costs of compliance with CEQA and other environmental laws will be borne by Friant. Notwithstanding any other provision of this Agreement, no action will be taken to effect the actions contemplated by this Agreement, and no other action will be taken that irrevocably commits any material resources of any party, until all required environmental review is completed and each party has independently made all findings required by CEQA and other applicable environmental laws. If, upon completion of such environmental review, a party finds one or more significant, unmitigated environmental impacts resulting from the actions contemplated by this Agreement and cannot make a finding that the benefits of the proposed project outweigh the impact or impacts, or that the impacts can be mitigated to a level below significance, then this Agreement will terminate without further obligation or liability of any party. Neither the execution of this Agreement, nor any steps taken to implement this Agreement, will be taken into account in determining whether mitigating or avoiding any significant impact is feasible. Nothing in this Agreement pre-commits either party to any project approval.

18. Attorneys’ Fees. In the event of any action between PID and Friant seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action will be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out of pocket costs and attorneys’ fees, all as ordered by the court. In the event a third party challenges this Agreement, whether judicially or otherwise, PID and Friant will assist one another without cost in connection with such challenge by providing information and witnesses as reasonably requested. Any costs of defending any such challenge, including out-of-pocket costs and attorneys’ fees, will be borne by Friant except to the extent such challenge results from the gross negligence or willful misconduct of PID; provided, that PID will have the exclusive right to choose counsel and control such defense after consulting with Friant with respect to PID’s choice of counsel and defense strategy.

19. Representations and Warranties. PID and Friant each represent and warrant to the other that (i) it has the authority to enter into this Agreement and to perform as set forth herein without any court approval or consents from third parties except the Approvals, (ii) the execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation, court order or undertaking affecting it, nor to the best of its knowledge will it violate any law,
ordinance, statute, order or regulation, and (iii) to the best of its knowledge, there is no suit, action or arbitration, or legal, administrative, or other proceeding that affects the ability of such party to perform hereunder.

20. **Water Quality.** PID makes no warranty or representations as to the quality or fitness for use of SJRRF conveyed to Friant; provided, that PID will not voluntarily or knowingly cause the deposit or discharge of any substance into water being conveyed for Friant that would preclude the ability to discharge such water into the DMC. Friant will be responsible for all necessary measures at its own expense for the testing, treatment, and other steps required for the intended uses of the SJRRF.

21. **Regulatory and Litigation Costs.** Friant will defend its own interests, and will defend, indemnify and hold harmless PID in any litigation or regulatory action challenging the validity of the SJRRF or Friant’ ability to transfer or convey such water. The parties will each defend their own interests in litigation or regulatory action involving this Agreement, including environmental compliance and use of PID’s conveyance facilities.

22. **Indemnification.** Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by the other party hereunder.

23. **Specific Performance.** The parties acknowledge that conveyance of SJRRF is unique and of substantial value to Friant, and that the failure of PID to perform under this Agreement may not be readily compensable in monetary damages. Therefore, in addition to any other remedies available to Friant at law or in equity, in the event of a breach or threatened breach of this Agreement by PID, Friant will be entitled to specific performance of this Agreement. Further, PID acknowledges that Friant will make substantial investments in SJRRF in reliance on this Agreement that could be lost if PID fails to perform hereunder.

24. **Measurement.** Necessary measurement of water to permit compliance with this Agreement will be taken by PID by recording measuring devices selected, installed, and maintained by PID and subject to inspection at all times by Friant. PID will maintain records of the quantities of water measured by such devices and will make such records available to Friant upon request.

25. **Notices.** All notices under this Agreement will be effective (i) when personally delivered to PID or Friant, as the case may be, (ii) when sent by facsimile on a business day between the hours of 8 a.m. and 5 p.m. (with written confirmation of transmission) to PID or Friant, as the case may be, at the numbers set forth below, or (iii) three business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective parties as follows:

**To PID:**

948 Orange Ave
Patterson, CA 95363
Attention: General Manager
Facsimile No.: (209) 892-4013
Telephone No.: (209) 892-6233

**To Friant:**

854 N. Harvard Ave.
Lindsay, CA 93247
Attention: Chief Operating Officer
Facsimile No.: (559) 562-3496
Telephone No.: (559) 562-6305
or such other address or facsimile number as the parties may from time to time designate in writing. As a matter of convenience, however, communications between PID and Friant will, to the extent feasible, be conducted orally by telephone or in person, and/or through the parties’ respective counsel, with such communications to be confirmed and made effective in writing as set forth above; provided, no such oral notice or communication will be effective unless so confirmed in writing.

26. Further Action. The parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement. PID and Friant acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination and the parties will in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

27. Third Party Beneficiaries. This Agreement does not create, and will not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

28. Binding Effect; Governing Law; Counterparts. This Agreement is binding upon and enforceable against each of the parties. This Agreement will be governed by and construed in accordance with the laws of the State of California and may be signed in any number of counterparts. Facsimile and electronic signatures will be binding.

29. Interpretation. This Agreement will be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is hereby waived.

30. Waiver. Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and will in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.

31. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior agreements with respect to that subject matter, whether verbal, written or implied, are hereby superseded in their entirety by this Agreement and are of no further force or effect. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties.

32. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be void or unenforceable, that provision will be deemed automatically reformed to be enforceable to the maximum extent legally permissible, and the balance of this Agreement will be unaffected.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PATTERSON IRRIGATION DISTRICT

By:__________________________________
, General Manager

FRIANT WATER AUTHORITY

By:__________________________________
Douglas DeFlitch, Chief Operating Officer
EXHIBIT A
Pre-Existing Commitments for use of Conveyance Capacity

1. Agreement from October 1, 2016 to February 28, 2018 with Del Puerto Water District for conveyance up to 18.5 CFS.
TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER
(San Joaquin River Restoration Flows)

This AGREEMENT FOR CONVEYANCE OF WATER ("Agreement") is effective as of _______, 2017, and is between the Banta-Carbona Irrigation District, a California irrigation district ("BCID") and the Friant Water Authority, a California joint powers authority ("Friant") contracting on behalf of all Friant Division Contractors, with reference to the following facts:

A. This Agreement is entered into concurrently by Friant with that certain “REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN LOWER SAN JOAQUIN RIVER (Water Year 2017) ("Repayment Agreement"), the recitals of which are hereby incorporated by reference, including all defined terms.

B. BCID owns facilities capable of diverting water from the San Joaquin River channel and conveying it to the Delta-Mendota Canal ("DMC").

C. Friant anticipates that it will need conveyance services to recover San Joaquin River Restoration Flows ("SJRRF") during the 2017 water year. from the San Joaquin River to the DMC so that the SJRRF can be physically delivered to Friant via south-of-Delta Central Valley Project facilities including, but not limited to, the DMC, O'Neill Pumping Plant, O'Neill Forebay, San Luis Reservoir and San Luis Canal, as well as State Water Project facilities and other third party conveyance facilities, as necessary to deliver water to the Friant service area.

D. BCID is willing to provide such conveyance from the San Joaquin River channel to the DMC on the terms set forth in this Agreement.

THEREFORE, the parties agree as follows:

1. Recitals. The recitals and facts set forth above are true and correct and are incorporated herein by this reference.

2. Term. This Agreement is effective upon the date first written above and will terminate on February 28, 2018 ("Term").

3. Conveyance. Subject to the provisions of this Agreement, during the Term, BCID will convey up to 48,000 acre feet of SJRRF for the benefit of Friant or its designees through BCID’s facilities and deliver such SJRRF into the DMC. For purposes of this Agreement, conveyance of SJRRF includes diversion of that water from the San Joaquin River as well as the conveyance and delivery thereof via BCID facilities into the DMC at MP MP 20.42-L1RW. No SJRRF will be stored in BCID facilities under this Agreement.

4. Conveyance Rate. SJRRF will be conveyed under the terms and conditions of the Agreement at a rate to be determined by BCID to be available subject to the priorities described in Section 7 below.

5. Construction. Friant acknowledges that BCID is planning to construct improvements to its water conveyance facilities that may require the facilities to be shut down. As a result, the conveyance goal may not be met during the Term due to construction. BCID agrees to undertake reasonable efforts to convey the full 48,000 acre feet annually despite such constraints, but will not be in violation of this Agreement if it is unable to do so.
6. **Acquisition of SJRRF.** Friant is solely responsible for any actions and costs required to permit SJRRF to be conveyed by BCID pursuant to this Agreement. Friant is also solely responsible for causing SJRRF to arrive at BCID’s diversion facilities on the San Joaquin River and for any and all costs and arrangements required in order for that water to thereafter be placed into and conveyed through the DMC.

7. **Priorities.** BCID’s obligations to use its facilities for the conveyance of SJRRF under this Agreement will at all times be subordinate in priority to: (1) BCID’s use of those facilities, and (2) any disclosed pre-existing written agreements or pre-approved arrangements for water delivery to third parties as noted in Exhibit A. Subject to the foregoing, BCID may utilize its facilities for arrangements with other parties, provided that BCID will not voluntarily engage in any subsequent activities or enter into any other arrangements that would interfere with its ability to perform under this Agreement or that would grant other parties a right to utilize BCID’s facilities senior or equal to Friant’s rights under this Agreement.

8. **Scheduling.**

   a. BCID and Friant will work cooperatively to schedule the conveyance of SJRRF by BCID under this Agreement. Friant understands that there will be times when capacity to convey SJRRF will be unavailable or unknown in advance. The parties acknowledge that it may not be feasible for Friant and its designees to identify or predict specific quantities of SJRRF to BCID’s diversion facilities on the San Joaquin River during periods when conveyance capacity is available for SJRRF in BCID’s facilities. Friant will make reasonable efforts to provide notice to BCID regarding the amount of SJRRF expected to be available at BCID’s diversion facilities on the San Joaquin River during available conveyance periods, but Friant will not be in default under this Agreement to the extent such SJRRF are not so available. Friant will only be liable for unused capacity set aside for conveyance of SJRRF pursuant to Section 13 unless it provides notice at least 14 days in advance that reserved capacity is no longer needed.

   b. Before the first of each month during the Term, Friant will submit a schedule of SJRRF anticipated to be available at the BCID diversion facilities, and BCID will use reasonable efforts to convey the maximum amount of available SJRRF, subject to its diversion capacity and applicable priorities described in this Agreement. If Friant does not provide the notice required by this Section, BCID will not be required to provide any conveyance under this Agreement in that month, and will be free to utilize its available capacity in that month to provide wheeling services to others. Friant and BCID will work cooperatively each month to reconcile the amount of SJRRF water available for conveyance, the amount of SJRRF diverted and the amount of SJRRF discharged into the DMC for the purpose of reporting to Reclamation and SLDMWA.

9. **Constraints on Facilities.** BCID’s obligations under this Agreement are subject and subordinate to the following conditions:

   a. the terms and conditions of the Approvals (as defined below);

   b. applicable federal and state laws now in existence or adopted during the Term of this Agreement, and as modified from time to time, affecting BCID’s rights or obligations or ability to divert from the San Joaquin River; or

   c. low flow in the San Joaquin River or other adverse hydrologic conditions that make it impossible or impracticable for BCID to pump SJRRF from the San Joaquin River, which conditions will be deemed a force majeure event governed by Section 11 of this Agreement;
10. Regulatory Requirements Beyond a Party's Control. SJRRF to be conveyed under this Agreement may be reduced due to failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations of BCID or other relevant facilities; and any action, legislation, ruling or determination adverse to a party affecting the Agreement and beyond the reasonable control of such party. An affected party will make a good faith effort to oppose such reductions, but the affected party will not be liable for reductions of supply due to such causes.

11. Force Majeure. If by reason of a Force Majeure Event (defined below) either party is rendered unable wholly or in part to carry out its obligations under this Agreement, then such party will give notice and full particulars of such Force Majeure Event in writing to the other party within a reasonable time after occurrence of the event or cause relied on, and such party's obligation, so far as it is affected by such Force Majeure Event, will be suspended during the continuance of the inability then claimed, but for no longer period, and such party will endeavor to remove or overcome such inability with all reasonable dispatch. The term “Force Majeure Event" means, but is not limited to, an event not the fault of, and beyond the reasonable control of, either party which makes it impossible or impracticable for that party to perform obligations imposed on it by this Agreement, by virtue of its effect on physical facilities and their operation or employees essential to such performance. Force Majeure Events include but are not limited to (1) an “act of God” such as an earthquake, flood, earth movement, lighting, fire, storms, washouts, droughts, landslides, or similar catastrophic event, (2) an act of the public enemy, terrorism, sabotage, vandalism, contamination, civil disturbance of similar event, (3) a strike, work stoppage, lockout, civil or industrial disturbance or similar event, (4) delays in construction caused by negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts, (5) breakage or accidents to machinery, buildings, equipment, pipelines or canals, partial or entire failure of water supply, or (6) an order or regulation issued by a federal, state or local regulatory agency or a judgment or order entered by a federal or state court.

12. Curtailment of Conveyance. BCID has the right to temporarily discontinue or reduce conveyances under this Agreement (1) as reasonably required to perform scheduled routine or emergency maintenance, and (2) as needed to perform any system modifications. BCID will give Friant reasonable notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Any repairs, maintenance, replacement, or other work that will necessitate taking all or a portion of the conveyance system out of operation will, to the extent practical, be undertaken between November and February, inclusive. Upon resumption of service after such reduction or curtailment, BCID will attempt to convey the quantity of water that would have been furnished hereunder in the absence of such discontinuance or reduction.

13. Conveyance Fee. As payment for conveyance of SJRRF under this Agreement, Friant will pay BCID a total fee of $100 per acre foot of SJRRF so conveyed, measured by BCID upon turnout at the DMC, payable within 30 days after the last day of the calendar month during which such SJRRF is conveyed. Such fee includes without limitation all administrative, operations, maintenance, conveyance, energy and other costs incurred or imposed by BCID for conveying SJRRF under this Agreement. By the tenth day of each calendar month, BCID will provide Friant with an invoice indicating the amount of SJRRF conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 8 above that it intends to convey water under this Agreement in any given month, and such water is available for conveyance by BCID, Friant will be required to make payment to BCID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by BCID to convey other water.

14. Losses. No losses of water will be imposed by BCID on SJRRF conveyed under this Agreement.
15. Approvals. The parties acknowledge that, in order for SJRRF to be acquired by Friant and conveyed by BCID, certain regulatory approvals and consents (the "Approvals") may be required, including without limitation (i) approvals by the California State Water Resources Control Board and (ii) approvals and issuance of a conveyance agreement by the United States Department of the Interior and/or San Luis and Delta Mendota Water Authority, as appropriate, for conveyance of SJRRF water in the DMC. The parties will diligently and cooperatively pursue all Approvals and will each dedicate at no charge to the other such staff as is reasonably necessary to obtain them. The out of pocket expenses for obtaining the Approvals will be borne by Friant. Each party will execute such other documents as may be necessary in order to permit the conveyance of SJRRF under this Agreement. Receipt of all Approvals is a condition precedent to the parties’ obligations hereunder other than the parties’ obligations under this Section 15 and Section 17.

16. No Transfer or Assignment. This Agreement may not be assigned in whole or in part by Friant without the prior written consent of the BCID, which may be withheld in BCID's sole and absolute discretion. Notwithstanding the foregoing, Friant may permit other designated agencies to utilize all or any portion of the BCID conveyance capacity made available to Friant under this Agreement by providing written notice to BCID that it has so designated such other agency(ies). Friant will remain liable for all payments and obligations required of Friant under this Agreement notwithstanding such designation, and all water conveyed by BCID hereunder for Friant' designees will be deemed conveyed for Friant hereunder.

17. Environmental Compliance. Compliance with the California Environmental Quality Act ("CEQA") and all other applicable environmental laws with respect to the actions contemplated by this Agreement is a condition precedent to the parties' obligations hereunder other than the parties' obligations under this Section 17 and Section 15. The parties acknowledge and agree that to their best knowledge, compliance with CEQA has been satisfied based on the actions described in the recitals to the Repayment Agreement. Nevertheless, if additional CEQA review and compliance is determined to be required, each party agrees to promptly prepare all appropriate environmental documents, if any are required, for it to undertake the actions contemplated in this Agreement and will dedicate at no charge to the other such staff as is reasonably necessary in connection therewith. The parties will cooperate to diligently complete, or cause the completion of, all environmental review required in order to implement this Agreement, and will use reasonable efforts to reduce any overlap in analyzing, mitigating, or studying environmental impacts associated with the actions proposed in this Agreement. All out of pocket costs of compliance with CEQA and other environmental laws will be borne by Friant. Notwithstanding any other provision of this Agreement, no action will be taken to effect the actions contemplated by this Agreement, and no other action will be taken that irrevocably commits any material resources of any party, until all required environmental review is completed and each party has independently made all findings required by CEQA and other applicable environmental laws. If, upon completion of such environmental review, a party finds one or more significant, unmitigated environmental impacts resulting from the actions contemplated by this Agreement and cannot make a finding that the benefits of the proposed project outweigh the impact or impacts, or that the impacts can be mitigated to a level below significance, then this Agreement will terminate without further obligation or liability of any party. Neither the execution of this Agreement, nor any steps taken to implement this Agreement, will be taken into account in determining whether mitigating or avoiding any significant impact is feasible. Nothing in this Agreement pre-commits either party to any project approval.

18. Attorneys' Fees. In the event of any action between BCID and Friant seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action will be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out of pocket costs and attorneys' fees, all as ordered by the court. In the event a third party challenges this Agreement, whether judicially or otherwise, BCID and Friant will assist one another without cost in
connection with such challenge by providing information and witnesses as reasonably requested. Any costs of defending any such challenge, including out-of-pocket costs and attorneys’ fees, will be borne by Friant except to the extent such challenge results from the gross negligence or willful misconduct of BCID; provided, that BCID will have the exclusive right to choose counsel and control such defense after consulting with Friant with respect to BCID’s choice of counsel and defense strategy.

19. Representations and Warranties. BCID and Friant each represent and warrant to the other that (i) it has the authority to enter into this Agreement and to perform as set forth herein without any court approval or consents from third parties except the Approvals, (ii) the execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation, court order or undertaking affecting it, nor to the best of its knowledge will it violate any law, ordinance, statute, order or regulation, and (iii) to the best of its knowledge, there is no suit, action or arbitration, or legal, administrative, or other proceeding that affects the ability of such party to perform hereunder.

20. Water Quality. BCID makes no warranty or representations as to the quality or fitness for use of SJRRF conveyed to Friant; provided, that BCID will not voluntarily or knowingly cause the deposit or discharge of any substance into water being conveyed for Friant that would preclude the ability to discharge such water into the DMC. Friant will be responsible for all necessary measures at its own expense for the testing, treatment, and other steps required for the intended uses of the SJRRF.

21. Regulatory and Litigation Costs. Friant will defend its own interests, and will defend, indemnify and hold harmless, BCID in any litigation or regulatory action challenging the validity of the SJRRF or Friant’ ability to transfer or convey such water. The parties will each defend their own interests in litigation or regulatory action involving this Agreement, including environmental compliance and use of BCID’s conveyance facilities.

22. Indemnification. Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by the other party hereunder.

23. Specific Performance. The parties acknowledge that conveyance of SJRRF is unique and of substantial value to Friant, and that the failure of BCID to perform under this Agreement may not be readily compensable in monetary damages. Therefore, in addition to any other remedies available to Friant at law or in equity, in the event of a breach or threatened breach of this Agreement by BCID, Friant will be entitled to specific performance of this Agreement. Further, BCID acknowledges that Friant will make substantial investments in SJRRF in reliance on this Agreement that could be lost if BCID fails to perform hereunder.

24. Measurement. Necessary measurement of water to permit compliance with this Agreement will be taken by BCID by recording measuring devices selected, installed, and maintained by BCID and subject to inspection at all times by Friant. BCID will maintain records of the quantities of water measured by such devices and will make such records available to Friant upon request.

25. Notices. All notices under this Agreement will be effective (i) when personally delivered to BCID or Friant, as the case may be, (ii) when sent by facsimile on a business day between the hours of 8 a.m. and 5 p.m. (with written confirmation of transmission) to BCID or Friant, as the case may be, at the numbers set forth below, or (iii) three business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective parties as follows:
or such other address or facsimile number as the parties may from time to time designate in writing. As a matter of convenience, however, communications between BCID and Friant will, to the extent feasible, be conducted orally by telephone or in person, and/or through the parties’ respective counsel, with such communications to be confirmed and made effective in writing as set forth above; provided, no such oral notice or communication will be effective unless so confirmed in writing.

26. Further Action. The parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement. BCID and Friant acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination and the parties will in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

27. Third Party Beneficiaries. This Agreement does not create, and will not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

28. Binding Effect; Governing Law; Counterparts. This Agreement is binding upon and enforceable against each of the parties. This Agreement will be governed by and construed in accordance with the laws of the State of California and may be signed in any number of counterparts. Facsimile and electronic signatures will be binding.

29. Interpretation. This Agreement will be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is hereby waived.

30. Waiver. Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and will in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.

31. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior agreements with respect to that subject matter, whether verbal, written or implied, are hereby superseded in their entirety by this Agreement and are of no further force or effect. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties.
32. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be void or unenforceable, that provision will be deemed automatically reformed to be enforceable to the maximum extent legally permissible, and the balance of this Agreement will be unaffected.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BANTA-CARBONA IRRIGATION DISTRICT      FRIANT WATER AUTHORITY

By:______________________________        By:______________________________
                     ,General Manager     Douglas DeFlitch, Chief Operating Officer
EXHIBIT A
Pre-Existing Commitments for use of Conveyance Capacity

1) Water Transfer Agreement Between Banta-Carbona Irrigation District and Meyers Farms Family Trust – 10,000 acre feet

2) Temporary Warren Act Contract #15-WC-20-4659 – 10,000 acre feet
REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN LOWER SAN JOAQUIN RIVER
(Water Year 2017)

This REPAYMENT AGREEMENT ("Agreement") is effective as of _____ 2017, and is by and between the FRIANT WATER AUTHORITY (hereinafter “FWA”), ARVIN-EDISON WATER STORAGE DISTRICT, CHOWCHILLA WATER DISTRICT, CITY OF FRESNO, DELANO-EARLIMART IRRIGATION DISTRICT, EXETER IRRIGATION DISTRICT, FRESNO IRRIGATION DISTRICT, FRESNO COUNTY WATER WORKS DISTRICT #18, GARFIELD WATER DISTRICT, GRAVELLY FORD WATER DISTRICT, HILLS VALLEY WATER DISTRICT, INTERNATIONAL WATER DISTRICT, IVANHOE IRRIGATION DISTRICT, KAPEAH DELTA WATER CONSERVATION DISTRICT, KERN-TULARE WATER DISTRICT, LEWIS CREEK WATER DISTRICT, LINDMORE IRRIGATION DISTRICT, LINDSAY-STRATHMORE IRRIGATION DISTRICT, CITY OF LINDSAY, LOWER TULE RIVER IRRIGATION DISTRICT, MADERA IRRIGATION DISTRICT, CITY OF ORANGE COVE, ORANGE COVE IRRIGATION DISTRICT, PORTERVILLE IRRIGATION DISTRICT, SAUCELITO IRRIGATION DISTRICT, SHAFTER-WASCO IRRIGATION DISTRICT, SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT, STONE CORRAL IRRIGATION DISTRICT, TEAPOT DOME WATER DISTRICT, TERRA BELLA IRRIGATION DISTRICT, TRI-VALLEY WATER DISTRICT AND TULARE IRRIGATION DISTRICT (hereinafter individually “Reimbursing District” or collectively “Reimbursing Districts”).

RECITALS

A. The September 2006 Stipulation of Settlement ("Settlement") in the case of NRDC, et al. v. KIRK RODGERS, et al., included a goal to reduce or avoid adverse water supply impacts on members of FWA, and others, as a result of the Settlement.

B. FWA and other Friant Division contractors are parties to the settlement.

C. The Settlement identifies the need for a plan for recirculation, recapture, reuse, exchange or transfer of water released from Friant Dam into the San Joaquin River.

D. As part of its ongoing activities to comply with the Settlement, the U.S. Bureau of Reclamation ("Reclamation") proposed that FWA, in coordination with other organizations representing the interests of all Friant Division Long Term Contractors that may choose to become Reimbursing Districts, enter into temporary agreements with Patterson Irrigation District ("PID") and Banta Carbona Irrigation District ("BCID" and hereinafter collectively with PID as “Conveying Districts”) for the purpose of
recapturing “Restoration Flows,” as defined in Section 13(a) of the Settlement, downstream of the Merced River confluence pursuant to the terms of the Settlement and conveying such water to the Delta Mendota Canal so that the recaptured water could be made available in the San Luis Reservoir or exchanged consistent with the terms of the State Water Resources Control Board Order dated October 21, 2013 related to implementation of the Settlement (hereinafter “Recirculation Water”).

D. FWA has agreed to execute conveyance agreements with the Conveying Districts on behalf of the Reimbursing Districts, which agreements are attached as Exhibit A (“Conveyance Agreements”).

E. Reclamation prepared an Environmental Assessment dated July 28, 2016 that addressed the recapture of Restoration Flows at PID and BCID diversion facilities on the San Joaquin River. The Environmental Assessment resulted in a Finding of No Significant Impact. In addition, in its 2013 State Board Order, in Section 8 on page 8 of 11, the State Water Resources Control Board found that Water Code section 1729 exempts temporary changes involving a transfer of water from the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.). As such, no further environmental review is required.

F. The implementation of the Conveyance Agreements will result in costs associated with the use of facilities involved in the recapture, conveyance and exchange of the Recirculation Water, including, but not limited to, conveyance and energy costs payable by FWA to the Conveying Districts and conveyance costs payable to San Luis & Delta Mendota Water Authority.

G. FWA is willing to help facilitate the implementation of the Conveyance Agreements, as well as other possible conveyance or exchange agreements subsequently determined to be necessary to recirculate recaptured water and allocation of Recirculation Water, by agreeing to advance costs incurred in connection therewith (hereinafter “Costs”), so long as FWA is entitled, thereafter, to collect the Costs from the districts that receive the Recirculation Water.

H. The Reimbursing Districts have indicated their intent to receive Recirculation Water as the result of the implementation of the Conveyance Agreements.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises hereinafter set forth, the parties agree as follows:

1. Estimate of Costs. At the time of the execution of this Agreement, the best estimate of the total Costs to the Reimbursing Districts for the Recirculation Water
made available to Friant contractors in San Luis Reservoir or O’Neill Forebay are those Costs identified on the attached Exhibit B. The parties anticipate that there may be changes in the Costs shown on Exhibit B but that the total cost is not likely to increase significantly.

2. **Payment by FWA.** FWA will pay the Recirculation Water Costs to the Conveying Districts in accordance with the terms of the Conveyance Agreements in Exhibit A.

3. **Agreement to Reimburse FWA for Costs.** Each Reimbursing District agrees to pay FWA for its share of the Costs paid by FWA that are attributable to the share of Recirculation Water made available to and accepted by such Reimbursing District. Each Reimbursing District must make payment to FWA within 30 days of the date that Reimbursing District receives from FWA an itemized bill for Costs to facilitate the conveyance of the Recirculation Water received.

4. **Attorney Fees.** Should it be necessary for any party to initiate any legal action arising out of or related to this Agreement, the prevailing party in such proceeding will be entitled to an award of its reasonable attorney fees and court costs.

5. **Miscellaneous.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties. This Agreement is governed by and will construed in accordance with the laws of the State of California. The Agreement may be signed in any number of counterparts. Facsimile and electronic signatures will be deemed valid and binding.

[Signatures on the following page.]
IN WITNESS WHEREOF, the undersigned authorized representatives of the parties have executed this Agreement as of the Effective Date.

FRIANT WATER AUTHORITY ARVIN-EDISON WATER STORAGE DISTRICT

By ___________________________ By ___________________________

Jason Phillips, Chief Executive Officer

CHOWCHILLA WATER DISTRICT DELANO-EARLIMART IRRIGATION DISTRICT

By ___________________________ By ___________________________

CITY OF FRESNO EXETER IRRIGATION DISTRICT

By ___________________________ By ___________________________

GARFIELD WATER DISTRICT HILLS VALLEY WATER DISTRICT

By ___________________________ By ___________________________

INTERNATIONAL WATER DISTRICT IVANHOE IRRIGATION DISTRICT

By ___________________________ By ___________________________
2017 Repayment Agreement for Recapture of Restoration Flows
Page 5 of 6

By ___________________________  By ___________________________
KERN-TULARE WATER DISTRICT  LEWIS CREEK WATER DISTRICT

By ___________________________  By ___________________________
LINDMORE IRRIGATION DISTRICT  LINDSAY-STRATHMORE IRRIGATION DISTRICT

By ___________________________  By ___________________________
LOWER TULE RIVER IRRIGATION DISTRICT  MADERA IRRIGATION DISTRICT

By ___________________________  By ___________________________
ORANGE COVE IRRIGATION DISTRICT  PORTERVILLE IRRIGATION DISTRICT

By ___________________________  By ___________________________
SAUCELITO IRRIGATION DISTRICT  SHAFTER-WASCO IRRIGATION
By ___________________________  By ___________________________

STONE CORRAL IRRIGATION DISTRICT  SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT,

By ___________________________  By ___________________________

TEAPOT DOME WATER DISTRICT  TERRA BELLA IRRIGATION DISTRICT

By ___________________________  By ___________________________

TRI-VALLEY WATER DISTRICT

By ___________________________