



AGENDA

MARCH 14, 2023

SPECIAL MEETING CITY COUNCIL CITY OF YUBA CITY

12:00 P.M. SPECIAL MEETING
COUNCIL CHAMBERS/VIRTUAL

MAYOR	• Wade Kirchner
VICE MAYOR	• Shon Harris
COUNCILMEMBER	• Marc Boomgaarden
COUNCILMEMBER	• Michael Pasquale
COUNCILMEMBER	• Dave Shaw
CITY MANAGER	• Diana Langley
CITY ATTORNEY	• Shannon L. Chaffin

1201 Civic Center Blvd
Yuba City CA 95993

Wheelchair Accessible

AGENDA

The City has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. Please visit [yubacity.net ADA & Accessibility Resources page](http://yubacity.net/ADA&AccessibilityResources). If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to help. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested. Please contact City offices at (530) 822-4817 or (TTY: 530-822-4732), so such aids or services can be arranged. Requests may also be made by email at cityclerk@yubacity.net or citymanager@yubacity.net or mail City Clerk, 1201 Civic Center Blvd, Yuba City, CA 95993.

**SPECIAL MEETING
CITY COUNCIL - CITY OF YUBA CITY
MARCH 14, 2023
12:00 P.M. SPECIAL MEETING
COUNCIL CHAMBERS/VIRTUAL**

PLEASE TAKE NOTICE, that pursuant to California Government Code Section 54956, Mayor Wade Kirchner has called a Special Meeting of the City Council as set forth in this Agenda.

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at www.yubacity.net, subject to staff's availability to post the documents before the meeting.

Special Meeting

Call to Order

Roll Call

Pledge of Allegiance to the Flag

Agenda Modifications/Approval of Agenda

Public Communication

1. Appearance of Interested Citizens

Members of the public may address the City Council concerning any item that has been described in the notice of this meeting.

Business Items

2. Sale and Transfer of Carryover Water Supply to San Geronio Pass Water Agency

Recommendation: A. Authorize the sale and transfer of up to 3,999 acre feet of carryover water to San Geronio Pass Water Agency

B. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents associated with the sale and transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City, and determination per CEQA Guidelines Sections 15282(u) (Temporary Changes in Point of Diversion), Water Code section 1729 (Temporary Change Exemption), 15301 (Existing Facilities), and 15061(b)(3) (Common Sense Exemption)

C. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents with the Department of Water Resources associated with the sale and

transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City

D. Authorize the Finance Director to deposit the revenue acquired by the sale and transfer of carryover water supply to San Geronio Pass Water Agency into Account No. 971098-65501 (Water Capitalization Fund)

Adjournment

CITY OF YUBA CITY
STAFF REPORT

Date: March 14, 2023
To: Honorable Mayor & Members of the City Council;
From: Public Works Department
Presentation By: Ben Moody, Public Works & Development Services Director

Summary

Subject: Sale and Transfer of Carryover Water Supply to San Geronio Pass Water Agency

Recommendation: A. Authorize the sale and transfer of up to 3,999 acre feet of carryover water to San Geronio Pass Water Agency

B. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents associated with the sale and transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City, and determination per CEQA Guidelines Sections 15282(u) (Temporary Changes in Point of Diversion), Water Code section 1729 (Temporary Change Exemption), 15301 (Existing Facilities), and 15061(b)(3) (Common Sense Exemption)

C. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents with the Department of Water Resources associated with the sale and transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City

D. Authorize the Finance Director to deposit the revenue acquired by the sale and transfer of carryover water supply to San Geronio Pass Water Agency into Account No. 971098-65501 (Water Capitalization Fund)

Fiscal Impact: \$699,825 Imbursement to Account No. 971098-65501 (Water Capitalization Fund)

Purpose:

To authorize the sale and transfer of surplus carryover water from the City of Yuba City to the San Geronio Pass Water Agency.

Council's Strategic Goal:

This item addresses Council's Strategic Goal of *Fiscal Responsibility* by capitalizing on the opportunity to sell and transfer carryover water supply due to favorable water surplus conditions.

Background:

Carryover water is the amount of permitted water allocation that is unused in a water supply system at the end of a water year after all water demands have been met. This water is typically stored in reservoirs, lakes, or underground aquifers and can be used to meet future water demand. The City's annual water allocations and carryover water from the Feather River are managed by the Department of Water Resources through the State Water Project.

Yuba City currently has surplus carryover water allocation which is available for sale and transfer to another water agency, stored in the San Luis Reservoir; however, when the San Luis Reservoir reaches a predetermined height, the carryover water supply becomes null and void and the storage availability is reset to zero. The rising water level is expected to reset supply by the end of the month or sooner. Time is of the essence.

Analysis:

San Geronio Pass Water Agency has expressed interest in acquiring additional water supplies from the City. The Department of Water Resources has provided a State Water Project Agreement to facilitate the sale and transfer, which requires execution by both Yuba City and the San Geronio Pass Water Agency (Attachment 3). The City will also need to execute documents directly with the Department of Water Resources regarding the sale and transfer. The sale and transfer will comply with all relevant state and federal water laws and regulations, including the California Environmental Quality Act (CEQA).

The transfer of carryover water will have no significant impact on the City's water treatment and delivery operations, as there is sufficient supply to meet City water demands. Yuba City's water attorney and water rights consultant have negotiated a contract with the San Geronio Pass Water Agency to sell the carryover water at a price of \$175 per acre foot of the City's available surplus, up to 3,999 acre feet. The sale and transfer provide mutual benefit for both agencies during the current drought conditions.

The agreements have been reviewed by the City's water attorney and water rights consultant.

Fiscal Impact:

The Public Works Department anticipates a total of \$682,500 in revenue from the sale and transfer of Yuba City carryover water supply. Staff recommend depositing the revenue in Account No. 971098-65501 (Water Capitalization Fund) to preserve the funds for future infrastructure improvements for the water treatment and distribution system.

Alternatives:

Do not authorize the Public Works Director to execute documents transferring Yuba City carryover water supply to San Geronio Pass Water Agency and/or provide staff with further direction.

Recommendation:

A. Authorize the sale and transfer of up to 3,999 acre feet of carryover water to San Geronio Pass Water Agency.

B. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents associated with the sale and transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City.

C. Adopt a Resolution authorizing the Public Works Director or designee to apply, accept, and execute all documents with the Department of Water Resources associated with the sale and transfer of up to 3,999 acre feet of Yuba City carryover water supply to San Geronio Pass Water Agency on behalf of the City, and determination per CEQA Guidelines Sections 15282(u) (Temporary Changes in Point of Diversion), Water Code section 1729 (Temporary Change Exemption), 15301 (Existing Facilities), and 15061(b)(3) (Common Sense Exemption).

D. Authorize the Finance Director to deposit the revenue acquired by the sale and transfer of carryover water supply to San Geronio Pass Water Agency into Account No. 971098-65501 (Water Capitalization Fund).

Attachments:

1. Resolution 1 - Carryover Water Transfer to San Geronio
2. Resolution 2 - DWR re Carryover Water Transfer to San Geronio
3. DRAFT Agreement - Carryover Water Transfer to San Geronio

Prepared By:

Phillip Marler
Deputy Public Works Director - Utilities

Submitted By:

Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE PUBLIC WORKS DIRECTOR OR DESIGNEE TO APPLY,
ACCEPT, AND EXECUTE ALL DOCUMENTS ASSOCIATED WITH THE SALE AND
TRANSFER OF UP TO 3,900 ACRE FEET OF YUBA CITY CARRYOVER WATER
SUPPLY TO SAN GORGONIO PASS WATER AGENCY ON BEHALF OF THE CITY,
AND DETERMINATION PER CEQA GUIDELINES SECTIONS 15282(U)
(TEMPORARY CHANGES IN POINT OF DIVERSION), WATER CODE SECTION
1729 (TEMPORARY CHANGE EXEMPTION), 15301 (EXISTING FACILITIES), AND
15061(B)(3) (COMMON SENSE EXEMPTION)**

WHEREAS, the City is a retail water agency that provides water service to its customers;
and

WHEREAS, San Gorgonio Pass Water Agency (SGPWA or Agency) is a regional water
agency that provides water on a wholesale basis to retail water providers and other public agencies
within its service area; and

WHEREAS, the City has a long-term water supply contract (“Water Supply Contract”) with the Department of Water Resources of the State of California (“DWR”) that permits the City to receive water supply, storage and conveyance services from the State Water Project (“SWP”). The City has a contractual right to the delivery of 9,600 acre-feet (“AF”) per year (“AFY”) of water from the SWP in its Water Supply Contract; and

WHEREAS, SGPWA has a long-term water supply contract (“Water Supply Contract”) with the Department of Water Resources of the State of California (“DWR”) that permits SGPWA to receive water supply, storage and conveyance services from the State Water Project (“SWP”). SGPWA has a contractual right to the delivery of 17,300 acre-feet (“AF”) per year (“AFY”) of water from the SWP in its Water Supply Contract; and

WHEREAS, the City’s and SGPWA’s respective Water Supply Contracts allow for the transfer of SWP water under certain conditions and subject to DWR approval. Specifically, Article 56(c) provides for the transfer of Article 56 Carryover Water from the CITY to another SWP contractor such as SGPWA, in accordance with Article 56(c)(4); and

WHEREAS, in 2022, DWR approved an allocation of water to the City of 10% of the “Table A Amount,” as that term is defined by the State Water Contract. City has Article 56 Carryover Water available to it after its 2022 water use; and

WHEREAS, the Carryover Water is stored in the San Luis Reservoir; however, when the San Luis Reservoir reaches a predetermined height, the carryover water supply becomes null and void and the storage availability is reset to zero; and

WHEREAS, due to unusually intense rains, the San Luis Reservoir is filling rapidly, and the rising water level is expected to reset supply by the end of the month or sooner; and

WHEREAS, the SGPWA has expressed interest in acquiring additional water supplies from the City; and

WHEREAS, DWR has provided a SWP Transfer Agreement (Agreement) to facilitate the transfer, which requires execution by both the City and the San Geronio Pass Water Agency; and

WHEREAS, the City Council now desires to transfer up to 3,900 AF of Carryover Water to SGPWA in 2023, subject to the terms and conditions of the Transfer Agreement (Agreement); and

WHEREAS, the City Council has environmentally assessed the proposed Agreement and transfer of Carryover Water as required by the California Environmental Quality Act (CEQA): and

WHEREAS, the City Council desires to authorize the Director of Public Works (or designee) to enter into an Agreement and to take any other actions necessary to facilitate the transfer of 3,900 acre feet of Yuba City carryover water supply to SGPWA at the price of price of \$175 per AF.

NOW THEREFORE, the City Council of the City of Yuba City hereby resolves as follows:

1. Recitals. The above recitals are incorporated are hereby by reference.
2. CEQA. The execution of the Agreement effectuating the transfer and exchange of SWP Water from the City to the Agency is statutorily exempt from substantive CEQA review under State CEQA Guidelines section 15282(u) and Water Code section 1729, which exempts temporary changes in the point of diversion, place of use, of purpose of use due to a transfer or exchange of water or water rights. Here, the proposed Project involves the exchange of a certain amount of the City's SWP Carryover Water for the year 2023. The Project merely changes the delivery location, and does not involve construction of any additional facilities to service the Project. As the Project involves a one year exchange, it also satisfies the definition of "temporary change" pursuant to Water Code section 1728.

Additionally, the Project is categorically exempt from environmental review under CEQA pursuant to State CEQA Guidelines section 15301 (Class 1 – Existing Facilities), which exempts from further CEQA review the operation of existing public structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Project will use existing water storage and conveyance facilities and will not require the construction of additional facilities to transfer water to the Agency pursuant to the terms of the Agreement.

Finally, the Project is exempt pursuant to State CEQA Guidelines section 15061(b)(3) which exempts those activities for which it can be seen with certainty that there is no potential to result in significant environmental effects. The Project involves the transfer of an existing allocation of water within existing facilities.

3. Authorization. The City Council authorizes the Director of Public Works (or designee) to enter into an Agreement and to take any other actions necessary to facilitate the transfer of up to 3,900 AF of Carryover Water to San Geronio Pass Water Agency at the price of \$175 per acre foot prior to June 30, 2023, subject to approval as to legal form by the City Attorney or water counsel.

4. Effective Date. This Resolution shall take effect immediately upon adoption.

I HEREBY CERTIFY that the foregoing resolution was adopted by the City Council at a regular meeting thereof held on the 14th day of March 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

CIARA WAKEFIELD, City Clerk
Administrator

CITY OF YUBA CITY

By: _____
WADE KIRCHNER, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of Yuba City, California, DO
HEREBY CERTIFY that the foregoing is a true and accurate copy of the resolution indicated
herein.

ATTACHMENT 2

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE PUBLIC WORKS DIRECTOR OR DESIGNEE TO APPLY,
ACCEPT, AND EXECUTE ALL DOCUMENTS WITH THE DEPARTMENT OF
WATER RESOURCES ASSOCIATED WITH THE TRANSFER OF UP TO 3,900 ACRE
FEET OF YUBA CITY CARRYOVER WATER SUPPLY TO SAN GORGONIO PASS
WATER AGENCY ON BEHALF OF THE CITY**

WHEREAS, the City is a retail water agency that provides water service to its customers;
and

WHEREAS, San Gorgonio Pass Water Agency (SGPWA or Agency) is a regional water agency that provides water on a wholesale basis to retail water providers and other public agencies within its service area; and

WHEREAS, the City has a long-term water supply contract (“Water Supply Contract”) with the Department of Water Resources of the State of California (“DWR”) that permits the City to receive water supply, storage and conveyance services from the State Water Project (“SWP”). The City has a contractual right to the delivery of 9,600 acre-feet (“AF”) per year (“AFY”) of water from the SWP in its Water Supply Contract; and

WHEREAS, SGPWA has a long-term water supply contract (“Water Supply Contract”) with the Department of Water Resources of the State of California (“DWR”) that permits SGPWA to receive water supply, storage and conveyance services from the State Water Project (“SWP”). SGPWA has a contractual right to the delivery of 17,300 acre-feet (“AF”) per year (“AFY”) of water from the SWP in its Water Supply Contract; and

WHEREAS, the City’s and SGPWA’s respective Water Supply Contracts allow for the transfer of SWP water under certain conditions and subject to DWR approval. Specifically, Article 56(c) provides for the transfer of Article 56 Carryover Water from the CITY to another SWP contractor such as SGPWA, in accordance with Article 56(c)(4); and

WHEREAS, in 2022, DWR approved an allocation of water to the City of 10% of the “Table A Amount,” as that term is defined by the State Water Contract. City has Article 56 Carryover Water available to it after its 2022 water use; and

WHEREAS, the SGPWA has expressed interest in acquiring additional water supplies from the City; and

WHEREAS, DWR has provided a SWP Transfer Agreement (Agreement) to facilitate the transfer, which requires execution by both the City and the SGPWA, which has been concurrently considered and approved by separate resolution, including associated determinations as required by the California Environmental Quality Act (CEQA); and

WHEREAS, in addition to the Agreement, the City will also need to execute documents directly with DWR to effectuate the transfer of the Carryover Water; and

WHEREAS, the City Council now desires to authorize the Director of Public Works (or designee) to apply, accept, and execute all documents with DWR associated with the transfer of 3,900 AF of Yuba City carryover water supply to SGPWA on behalf of the City.

NOW THEREFORE, the City Council of the City of Yuba City hereby resolves as follows:

1. Recitals. The above recitals are incorporated are hereby by reference.
2. CEQA. The City Council has concurrently considered, and adopted, as separate resolution finding that the project is exempt per CEQA Guidelines sections 15282(u) (Temporary Changes in Point of Diversion), Water Code section 1729 (Temporary Change Exemption), 15301 (Existing Facilities), and 15061(b)(3) (Common Sense Exemption).
3. Authorization. The City Council authorizes the Director of Public Works (or designee) to apply, accept, and execute all documents with the Department of Water Resources associated with the transfer of up to 3,900 acre feet of Yuba City Carryover Water to San Geronio Pass Water Agency on behalf of the City.
3. Effective Date. This Resolution shall take effect immediately upon adoption.

I HEREBY CERTIFY that the foregoing resolution was adopted by the City Council at a regular meeting thereof held on the 14th day of March 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

CIARA WAKEFIELD, City Clerk
Administrator

CITY OF YUBA CITY

By: _____
WADE KIRCHNER, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of Yuba City, California, DO
HEREBY CERTIFY that the foregoing is a true and accurate copy of the resolution indicated
herein.

ATTACHMENT 3

DRAFT

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



Mr. Ben Moody
Public Works & Development Services Director
City of Yuba City
1201 Civic Center Boulevard
Yuba City, California 95993-3005

Mr. Lance Eckhart
General Manager and Chief Hydrogeologist
San Geronio Pass Water Agency
1210 Beaumont Avenue
Beaumont, California 92223-1506

Subject: Transfer of City of Yuba City's State Water Project Article 56 Carryover Water to San Geronio Pass Water Agency (SWP #23013)

This Letter Agreement, SWP #23013 (Agreement), is in response to City of Yuba City's (Yuba) request, dated March 9, 2023, to the Department of Water Resources of the State of California (DWR) for approval to transfer 3,999 acre-feet of Yuba's State Water Project (SWP) Article 56 Carryover Water stored in San Luis Reservoir (Yuba's Article 56 Carryover Water) to San Geronio Pass Water Agency's (SGPWA) service area in 2023. Delivery of Yuba's Article 56 Carryover Water shall be completed by December 31, 2023.

DWR's accounting reflects that Yuba has stored its Project water in San Luis Reservoir pursuant to Article 56 of its Water Supply Contract. Yuba now wishes to transfer a portion of that Article 56 Carryover Water pursuant to Article 56(c)(4) of the Water Supply Contract and consistent with the terms of this Agreement. Because this transfer does not involve any water that Yuba has received due to the increase in its allocated Table A due to the NOD Allocation, this transfer is consistent with the requirements in Article 45(k)(1)(e) of Yuba's Water Supply Contract.

SGPWA has confirmed in writing to DWR its need for the transferred water in 2023 and SGPWA will take delivery of this water in 2023, in compliance with Article 56(c)(4)(iv) of SGPWA's Water Supply Contract. In addition, Yuba and SGPWA confirm that the transfer satisfies the criteria in Article 57(d) and Article 57(g) of Yuba's and SGPWA's

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respective Water Supply Contracts. Yuba and SGPWA have provided supporting documentation to DWR demonstrating compliance with Article 57(g), which DWR has considered in approving the transfer request.

Yuba also has requested DWR's approval for an exception to the 50-percent limitation on the amount of Yuba's Article 56 Carryover Water available for transfers or exchanges under Article 56(c)(4)(iii) of Yuba's Water Supply Contract. Yuba has requested this exception to reduce the risk of Yuba's Article 56 Carryover Water being displaced due to the recent storm events. DWR agrees that Yuba has sufficiently demonstrated the need for an exception pursuant to Article 56(c)(4)(v) of Yuba's Water Supply Contract.

In compliance with the California Environmental Quality Act (CEQA), Yuba, as the lead agency, has determined that the transfer of Yuba's Article 56 Carryover Water to SGPWA is categorically exempt from CEQA and will file a Notice of Exemption (NOE) with the State Clearinghouse (SCH). DWR, as a responsible agency, will file a NOE based on CEQA Guidelines Section 15301 (Existing Facilities) with SCH upon execution of this Agreement.

Yuba and SGPWA agree that execution of this Agreement will result in transferring, upon the Effective Date of this Agreement, 3,999 acre-feet of Yuba's Article 56 Carryover Water stored in San Luis Reservoir to SGPWA for delivery by December 31, 2023 to SGPWA's service area, under the following terms and conditions:

TERM

1. This Agreement shall become effective on January 15, 2023 (Effective Date), and shall terminate on December 31, 2023, or upon final payments to DWR of all costs attributable to this Agreement, whichever occurs later. However, the liability, hold harmless and indemnification obligations in this Agreement shall remain in effect until the expiration of the applicable statute of limitations, or until any claim or litigation concerning this Agreement involving DWR, Yuba, or SGPWA within the applicable statute of limitations is finally resolved, whichever occurs later.

UNIQUENESS OF AGREEMENT

2. DWR's approval under this Agreement to transfer and deliver Yuba's Article 56 Carryover Water to SGPWA is unique and shall not be considered a precedent for future agreements or DWR activities.

APPROVALS

3. The transfer and delivery of water under this Agreement shall be contingent upon, and subject to any necessary approvals and shall be governed by the terms and conditions of such approvals and any other applicable legal requirements. Yuba and SGPWA shall be responsible for complying with all applicable laws and legal

requirements and for securing any required consent, approvals, permit, or orders. Yuba and SGPWA shall furnish to DWR copies of all approvals and agreements required for the transfer and delivery of water under this Agreement.

4. Pursuant to Article 56(c)(4)(v) of Yuba's Water Supply Contract, DWR agrees to approve an exception to the 50-percent limitation on the amount of Yuba's Article 56 Carryover Water available for transfers or exchanges under Article 56(c)(4)(ii) and will allow Yuba to transfer 3,999 acre-feet (100-percent) of Yuba's Article 56 Carryover Water in 2023.

TRANSFER OF YUBA'S ARTICLE 56 CARRYOVER WATER TO SGPWA

5. Upon the Effective Date of this Agreement, DWR will transfer 3,999 acre-feet of Article 56 Carryover Water from Yuba's storage balance in San Luis Reservoir to SGPWA's storage balance for delivery to SGPWA in 2023. The transfer will occur by means of a recalculation of Yuba's and SGPWA's respective Article 56 Carryover Water storage balances in San Luis Reservoir. DWR's recalculation will show a 3,999 acre-foot increase to SGPWA's total Article 56 Carryover Water storage balance and a 3,999 acre-foot decrease to Yuba's total Article 56 Carryover Water storage balance.
6. The transfer of Yuba's Article 56 Carryover Water under this Agreement, plus transfers and exchanges of Yuba's Article 56 Carryover Water under any agreements during 2023, shall not exceed the maximum amount of Article 56 Carryover Water available for Yuba to transfer and/or exchange during the 2023 calendar year pursuant to Paragraph 4 of this Agreement.

DELIVERY OF YUBA'S ARTICLE 56 CARRYOVER WATER TO SGPWA

7. DWR will deliver 3,999 acre-feet of Article 56 Carryover Water acquired by SGPWA from Yuba under this Agreement from San Luis Reservoir to SGPWA's turnout(s) located in Reach 4A and/or Reach 4B of the California Aqueduct's East Branch Extension by December 31, 2023, and SGPWA shall take delivery of this Article 56 Carryover Water for use in SGPWA's service area.
8. SGPWA recognizes that, in the event San Luis Reservoir becomes full, SGPWA's Article 56 Carryover Water in San Luis Reservoir, including the water acquired under this Agreement and not yet delivered to SGPWA's service area, will be displaced in accordance with Article 56(c)(3) of SGPWA's Water Supply Contract.
9. Yuba and SGPWA agree that any water not delivered to SGPWA's service area under this Agreement by December 31, 2023 will be forfeited and will convert to SWP Project Water owned by DWR on January 1, 2024, unless an exception is

approved by DWR pursuant to Article 56(c)(4)(v) of Yuba's and SGPWA's Water Supply Contracts.

10. The delivery of water to SGPWA under this Agreement shall be in accordance with schedules reviewed and approved by DWR. DWR's approval for this delivery is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP contractors.
11. The sum of deliveries scheduled to SGPWA under this Agreement, plus scheduled SGPWA SWP water deliveries, plus deliveries to SGPWA under any other agreements, shall not exceed the quantities on which the Proportionate Use-of-Facilities factors are based under SGPWA's Water Supply Contract with DWR unless DWR determines that deliveries will not adversely impact SWP operations, facilities, or other SWP contractors.

WATER DELIVERY SCHEDULES

12. All water delivery schedules and revisions shall be in accordance with Article 12 of SGPWA's Water Supply Contract with DWR.
13. SGPWA shall submit monthly water delivery schedules and revised monthly schedules, if any, for approval to the Division of Operation and Maintenance, Office of the Division Manager, Water Deliveries Reporting Unit, indicating timing and point of delivery requested under this Agreement with reference to SWP #23013. Monthly schedules shall be sent by electronic mail to SWP-SWDS@water.ca.gov.
14. SGPWA shall send weekly water delivery schedules, indicating timing and point of delivery requested with reference to SWP #23013, by electronic mail by 10:00 am, Wednesday, for the following week, Monday through Sunday to the following:
 - a. Office of the Division Manager
Water Operation Scheduling Section
Water_deliv_sched@water.ca.gov
 - b. Office of the Division Manager
Power Management and Optimization Section
POCOptimization@water.ca.gov
 - c. Office of the Division Manager
Day-Ahead Scheduling Unit
Presched@water.ca.gov

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- d. Southern Field Division
Water Operation Section
SFDWaterSchedule@water.ca.gov

WATER DELIVERY RECORDS

15. DWR will maintain monthly records documenting the delivery of Yuba's Article 56 Carryover Water acquired by SGPWA under this Agreement to SGPWA's service area.

CHARGES

16. SGPWA shall pay to DWR the charges associated with the delivery of water under this Agreement from the Delta to the point of delivery at SGPWA's turnout(s) in Reach 4A and/or Reach 4B of the California Aqueduct's East Branch Extension. SGPWA shall pay all the Variable Operation, Maintenance, Power, and Replacement components of the Transportation Charge and the Off-Aqueduct Power Facilities costs that are in effect for each acre-foot of water delivered to SGPWA's turnout(s).
17. In addition to the charges identified above, SGPWA agrees to pay to DWR any identified demonstrable increase in costs that would otherwise be borne by the SWP contractors not signatory to this Agreement or by DWR, as a result of activities under this Agreement.
18. Payment terms shall be in accordance with SGPWA's Water Supply Contract with DWR.
19. All payments under this Agreement not covered under SGPWA's Water Supply Contract with DWR shall be due 30 days after the date of DWR's billing. DWR shall charge interest if payments are delinquent by more than 30 days. SGPWA shall pay to DWR accrued interest on these overdue payments at the rate of one percent per month from the due date to the date of payment.

NO IMPACT

20. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. This Agreement shall not impact the financial integrity of the SWP and shall not harm other contractors not participating in this Agreement. Yuba and SGPWA shall be responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from the transfer and delivery of water under this Agreement.

LIABILITY

21. DWR is not responsible for the use, effects, or disposal of water under this Agreement once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of SGPWA's Water Supply Contract, as applicable, with responsibilities under the terms of that article shifting from DWR to SGPWA when the water is delivered to the designated turnout(s).
22. Yuba and SGPWA agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuits, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees and agents incur as a result of DWR approving this Agreement or providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.
23. If uncontrollable forces preclude DWR from transferring or delivering water under this Agreement, either partially or completely, then DWR is relieved from the obligation to transfer or deliver the water to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable forces. Uncontrollable forces shall include, but are not limited to, earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. SGPWA shall not be entitled to recover any administrative costs or other costs associated with transfer or delivery of water under this Agreement if uncontrollable forces preclude DWR from delivering the water.

EXECUTION

24. The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.
25. The Parties agree that this Agreement will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature.
26. All Parties will receive an executed copy of the Agreement via DocuSign after all Parties have signed.

If the terms and conditions in the Agreement are acceptable, please sign and date using DocuSign.

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Sincerely,

John Leahigh
Assistant Division Manager, Water Management
Division of Operations and Maintenance
State Water Project

DRAFT

ACCEPTED:

CITY OF YUBA CITY

SAN GORGONIO PASS WATER AGENCY

Name

Name

Title

Title

Date

Date