

**SOLANO PROJECT MEMBERS'  
AGREEMENT AS TO DROUGHT MEASURES  
AND WATER ALLOCATION**

THIS AGREEMENT, dated as of March 1, 1999, by and among the Solano Irrigation District, a California Irrigation District (hereinafter referred to as "SID"), Maine Prairie Water District, (hereinafter referred to as "MPWD"), the City of Fairfield, a California municipal corporation (hereinafter referred to as "Fairfield"), the City of Vacaville, a California municipal corporation (hereinafter referred to as "Vacaville"), the City of Suisun City (hereinafter referred to as "Suisun"), and the City of Vallejo, a California municipal corporation (hereinafter referred to as "Vallejo"), individually referred to or collectively referred to in this Agreement as "Party" or "Parties," respectively, is made and entered into and the Parties do, for full and adequate consideration, receipt of which is hereby acknowledged, agree as follows:

**Section 1.0: Background Facts**

1.1 The Parties are all, through contracts with the Solano County Water Agency ("SCWA"), Participating Agencies of the Solano Project, entitled to annual deliveries of water from the Solano Project in the following amounts:

<u>Name of Party</u>	<u>Annual Entitlement (Acre-Feet ("AF")/Water Year)</u>
Solano Irrigation District	141,000
Fairfield	9,200
Vacaville	5,600
Suisun City	1,600
Maine Prairie	15,000
Vallejo	14,750
<u>Total:</u>	<u>187,150</u>

The present contract between the United States and SCWA for Solano Project water supply ("Solano Project Master Contract") expires in 1999, and negotiations between the United States and SCWA for Solano Project Master Contract renewal and extension are underway, and the Member Unit Parties' contracts with SCWA for the annual entitlements will be extended or renewed.

**(Final 1/25/99)**

1.2 The Parties wish to provide for this Agreement as to the measures to be used in regard to the accounting of water not used from a Party's annual entitlement from the Solano Project in a year after renewal, and also to provide for contractually agreed-to and enforceable curtailments in the amounts of water taken under the respective Parties' annual entitlements during certain drought conditions. This Agreement provides for the accounting of and preservation of the rights of the Parties to those waters which are voluntarily or mandatorily curtailed.

1.3 The Parties wish to further provide in this Agreement for special measures which SID will implement should the drought conditions deepen and become more severe, resulting in reduction of storage in Lake Berryessa to certain levels despite all reasonable efforts of the Parties.

1.4 The Parties agree that each of the Background Facts in Section 1.0 *et seq.* is true and correct, and a portion of the consideration for this Agreement.

**Section 2.0: Definitions.**

2.1 The phrase "Storage in Lake Berryessa" shall mean the amount of water stored on the date specified in this Agreement within Lake Berryessa (i) excluding any amounts of water in dead storage which may not be physically released or diverted from Lake Berryessa for any reason, (ii) excluding any amounts of water held on that date in Voluntary Carryover Accounts by the Parties to this Agreement, but (iii) including any amounts of water held in Restricted Carryover Accounts by the Parties on that date. The Storage in Lake Berryessa shall be calculated utilizing the most current elevation capacity curve for Lake Berryessa approved by the United States.

2.2 The phrase "annual entitlements" shall mean the amount of water a Party is entitled to delivery each water year in the amounts set forth in Paragraph 1.1 above, where each "water year" begins on March 1, and ends on the last day of the following February, as set forth in the present contracts.

**Section 3.0: Renewal Contracts of Parties**

3.1. The Parties agree that the Parties shall each be entitled to renewal of their

Contract with SCWA for the purchase of water from the Solano Project annually on the basis of the annual amounts set forth in Paragraph 1.1 above.

3.2 It shall be a precondition to the enforceability of this Agreement that each of the Parties shall have received and accepted a renewal contract for Solano Project Water in the above amounts from SCWA ("Renewal Participating Agency Contract") and that the terms of those agreements have been accepted by each Party and approved by the United States Department of Interior, Bureau of Reclamation, if such approval is required by the Solano Project Master Contract, and the Renewal Participating Agency Contracts have each been validated in accordance with the provisions of California Code of Civil Procedure section 860, *et seq.* It shall be a further precondition of the enforceability of this Agreement that no material change has been made in the terms and provisions of each Renewal Participating Agency Contract including, without excluding other material changes, that:

3.2.1 The term of all of the Renewal Participating Agency Contracts shall be equivalent to the term of the renewed Solano Project Master Contract; and

3.2.2 The proportions of payment amounts per AF of water available under the Renewal Participating Agency Contracts shall be the same as the existing Contracts of \$15.00 per AF for municipal and industrial ("M&I") water use and \$2.65 per AF for irrigation use or a ratio of 5.66 to 1, depending on the respective purpose of use; and

3.2.3 There shall be included within all Renewal Participating Agency Contracts provisions permitting each Party to voluntarily retain carryover storage in Lake Berryessa for any unutilized portion of that Party's annual water entitlement under its Renewal Participating Agency Contract under the following conditions:

(a) The amount so voluntarily unutilized on the last day of February shall be added on that date to a carryover account ("Voluntary Carryover Account") for the Party that did not order delivery of the amount of water, but the Party shall pay SCWA for the undelivered water as if the water was delivered to the Party in that year in accordance with the Renewal Participating Agency Contract terms. No additional payment will be required for subsequent use of that water if there is no change in type of use.

(b) Any water in a Party's Voluntary Carryover Account may be utilized by that Party, in addition to all portions of their annual entitlement, in any water year subsequent to the water year in which it is added to the Party's Voluntary Carryover Account, or may be assigned, with approval by SCWA, to another Party to this Agreement, for use by the other Party in the year of non-diversion before its addition to a Party's Voluntary Carryover Account or for use in a subsequent water year from that assignee's Voluntary Carryover Account.

(c) Any water in a Party's Voluntary Carryover Account at the time that Lake Berryessa spills, or at a time in which emergency releases are made from Lake Berryessa for any other reason which releases are not delivered by the Solano Project to SCWA, may be lost as follows: The spill or emergency release shall be charged proportionately to each Party having a Voluntary Carryover Account and subtracted from the Parties' Voluntary Carryover Accounts then having a balance in their accounts to the extent of the spill or emergency release.

Example: Party A has 20,000 AF in its Voluntary Carryover Account, Party Y has 10,000 AF in its Voluntary Carryover Account, and Party X has 2,000 AF in its Voluntary Carryover Account, as these accounts exist at the time the spill condition commences, and these are the only carryover amounts presently in Lake Berryessa. A spill condition occurs in which water is not diverted into the Putah South Canal for beneficial use, or is not credited to a release requirement of the Solano Project in Putah Creek, including carriage losses upstream of Putah Diversion Dam. Each net acre foot spilling shall be charged proportionately to each Party's Voluntary Carryover Account. In the example, the percentages are: Party A, 62.5%; Party Y, 31.25%; Party X, 6.25%. If the net spill was of 16,000 AF, the Voluntary Carryover Accounts of all Parties would be reduced by 50%. If the net spill exceeded 32,000 AF, each Party's Voluntary Carryover Account would have a zero balance.

(d) No monies shall be reimbursable from SCWA to the Parties for the amounts paid for the Voluntary Carryover Account water to SCWA which is spilled.

(e) No evaporation, measurement or carriage loss will be charged upon any Party's Voluntary Carryover Account balance. No Party shall be charged a storage charge upon its Voluntary Carryover Account balances.

**Section 4.0: Preparation of Drought Contingency Plans:**

4.1 When Storage in Lake Berryessa falls below 800,000 AF as measured on December 1, the Parties will participate with SCWA staff in preparation of a Drought Contingency Plan which shall include reasonable water conservation measures, investigation of potential emergency supplies which could be imported without construction of new conveyance facilities, and other reasonable measures which could reduce the depletion of Storage in Lake Berryessa. Implementation of any of these measures by the Parties and SCWA will only be with the consent of the individual Parties electing to participate, and SCWA will not suspend or supersede provisions of the Participating Agency Renewal Contracts with SCWA. The Drought Contingency Plan shall also address terms and conditions for water sales pursuant to Paragraph 5.6(b). If Storage in Lake Berryessa exceeds 1.1 million AF on the following April 1, development of the Drought Contingency Plan shall be suspended.

**Section 5.0 Mandatory Additions to Storage and Carryover Accounts by Parties  
("Restricted Carryover Account"):**

5.1 When Storage in Lake Berryessa is between 550,000 AF and 800,000 AF as measured on April 1 of any water year, then each of the Parties agrees to forego taking delivery of at least 5% of the Party's annual entitlement. If the Storage in Lake Berryessa is between 450,000 AF and 550,000 AF as measured on April 1, the Parties agree that they will forego taking delivery of at least 10% of their annual entitlements. On the first day of the next water year, a 5% (if Storage in Lake Berryessa had been between 550,000 AF and 800,000 AF the previous April 1) or 10% (if Storage in Lake Berryessa had been between 450,000 AF and 550,000 AF the previous April 1) portion of each Party's annual entitlement shall be credited to what will be called the Party's "Restricted Carryover Account."

5.2 Restricted Carryover shall be classified as either irrigation or M&I. For a Party that delivers only one class of water, 100% of its Restricted Carryover shall be designated of that class. For a Party that delivers both irrigation water and M&I water, the Restricted Carryover shall be segregated into irrigation ("irrigation Restricted Carryover") and M&I ("M&I Restricted Carryover") classes based on the amounts of each class of water acquired by that Party from SCWA during the water year in which the Restricted Carryover was generated.

Example: The Storage in Lake Berryessa is between 550,000 AF and 750,000 AF on April 1. Party A delivers both M&I and irrigation water, and in the current water year acquires 20% M&I and 80% irrigation from SCWA. The 5% of annual entitlement foregone amount deposited in Party A's Restricted Carryover Account the following water year would be classified as 1% M&I Restricted Carryover and 4% irrigation Restricted Carryover.

5.3 Notwithstanding the mandatory foregoance of a portion of its annual entitlement, a Party having a Voluntary Carryover Account balance from voluntary curtailment of use may take any portion of the Voluntary Carryover Account balance from that account in a water year.

5.4 A Party shall not withdraw water from its Restricted Carryover Account until either (a) the Storage in Lake Berryessa on a subsequent April 1 exceeds 800,000 AF, or (b) the Storage in Lake Berryessa on a subsequent April 1 falls below 450,000 AF. If the April 1 Storage in Lake Berryessa exceeds 800,000 AF, the Restricted Carryover Accounts shall convert to or combine with Voluntary Carryover Accounts of the respective Parties. If the April 1 Storage in Lake Berryessa falls below 450,000 AF, the water in Restricted Carryover Accounts will become available to the Member unit Parties as specified in Section 5.6 below.

Example: Party A serves only M&I water and has a Voluntary Carryover Account balance of 2,000 AF on April 1 and no Restricted Carryover Account balance. The April 1 Storage in Lake Berryessa is less than 800,000 AF but more than 550,000 AF. Party A will forego taking delivery of at least 5% of its annual entitlement in the current water year ending on the last day of February. Party A may, up to the last day of February, order and receive 95% of its annual entitlement and an additional 2,000 AF from its Voluntary Carryover Account, bringing its Voluntary Carryover Account to zero on the last day of the water year. The following water year, the Restricted Carryover Account of Party A will have the foregone amount of 5% in it, classified as 100% M&I Restricted Carryover. If the Storage in Lake Berryessa on April 1 of that year exceeds 800,000 AF, Party A's Restricted Carryover Account will convert to a Voluntary Carryover Account, and Party A is entitled to use the water at any time. If the Storage in Lake Berryessa falls below 450,000 AF on April 1 of that year, the water in Restricted Carryover Accounts will become available to the Parties as specified in Section 5.6

below. If the April 1 Storage in Lake Berryessa is any other amount (between 450,000 AF and 800,000 AF), the foregone amount remains in Party A's Restricted Carryover Account and is not available for use.

5.5 After successive water years in which Storage in Lake Berryessa is between 450,000 AF and 800,000 AF on April 1, water will tend to accumulate in the Restricted Carryover Accounts. The above provisions notwithstanding, however, accumulated water in a Party's Restricted Carryover Account (combined M&I and irrigation Restricted Carryover) shall not exceed 50% of that Party's annual entitlement.

Example: Same as last example (Section 5.4) except Party A starts with a Restricted Carryover Account balance of 48% of its annual entitlement. Party A would be required to deposit only 2% of its annual entitlement into its Restricted Carryover Account to bring the Restricted Carryover Account up to the maximum 50% of annual entitlement. Party A may take delivery and use up to 98% of its annual entitlement that water year, excluding any Voluntary Carryover.

5.6 When Storage in Lake Berryessa falls to less than 450,000 AF on April 1, the Parties will not be required to deposit additional water into Restricted Carryover attributable to that water year and water from the Restricted Carryover Accounts will be released to the Parties as follows:

a. The Parties shall have access to their M&I Restricted Carryover Account balances for M&I uses; and

b. The Parties shall have access to their irrigation Restricted Carryover balances for voluntary sale to other Parties for M&I uses based on terms and conditions established through the drought contingency planning process of Section 4.0.

Example: In 2006, Storage in Lake Berryessa is between 550,000 AF and 800,000 AF on April 1 after being above 800,000 AF the previous year. A 5% Restricted Carryover amount is required of all Parties for that water year. Since water orders are submitted to SCWA prior to March 1, the order for that year will be amended to reflect the reduction in available water supply for each of the Parties and the foregone amount will be credited to the Restricted Carryover Accounts on March 1, 2007. On April 1 in each of years 2007 and 2008,

Storage in Lake Berryessa is between 450,000 AF and 550,000 AF. On March 1, 2009, each Party will have 25% of its annual entitlement in its Restricted Carryover Account. On April 1, 2009, Storage in Lake Berryessa falls below 450,000 AF. The Parties will not be required to deposit further water into their Restricted Carryover Accounts that year, and each Party may use any M&I Restricted Carryover in its Restricted Carryover Account for M&I uses that year. Furthermore, Parties with irrigation Restricted Carryover may sell all or any part of that water to other Parties for M&I use pursuant to the drought contingency plan of Section 4.0 above. Any water not sold will remain irrigation Restricted Carryover in the selling Party's Restricted Carryover Account, and such water's disposition will be determined by the April 1 Storage in Lake Berryessa in subsequent years.

5.7 Any amounts of water which are mandatorily foregone and placed into the Restricted Carryover Accounts by the Parties pursuant to Paragraph 5.1 shall be subject to payment of the water charge to SCWA for the foregone amount. No additional payment will be required for subsequent use of that water if there is no change in the type of use.

5.8 In addition to the provisions above, when Storage in Lake Berryessa is less than 400,000 AF on April 1, SID will prepare to implement a voluntary agricultural water marketing program in order to sign up growers who are willing to sell their water allocations for the next water year beginning March 1 of the following year. The water obtained by this voluntary process will be marketed by SID to the Parties to meet M&I water needs of those Parties. The process, methods of determining cost, and conditions governing the marketing to Participating Agencies shall be reasonable and are generally outlined as to form in Exhibit "A" entitled "Solano Irrigation District Drought Impact Reduction Program" (referred to herein as "Program"). The SID Board of Directors may alter and modify the conditions, charges and terms of the Program from time to time, but the purposes of the Program of providing for voluntary relinquishment of agricultural water, while avoiding permanent adverse economic, environmental and social or organizational damage to the agricultural community and to the Parties' M&I users, and retaining the viability of SID, shall be reasonably retained in the Program adopted and implemented by SID. Parties desiring to obtain water from SID for M&I purposes will be provided a reasonable opportunity to comment on any proposed Program changes in advance of their implementation by SID.



