

COPY

AGREEMENT
AMONG
THE UNITED STATES OF AMERICA
AND
THE OAKDALE IRRIGATION DISTRICT
AND
THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT
FOR THE
OPERATION OF NEW MELONES DAM AND RESERVOIR
AND TULLOCH DAM AND RESERVOIR

Agreement No.
8-07-20-W0714

THIS AGREEMENT, made this 30th day of August, 1988,
between the UNITED STATES OF AMERICA acting by and through the Bureau of
Reclamation, Department of the Interior represented by the Contracting
Officer executing this Agreement, hereinafter referred to as the United
States, and the OAKDALE IRRIGATION DISTRICT and the SOUTH SAN JOAQUIN
IRRIGATION DISTRICT hereinafter referred to as the Districts,

WITNESSETH THAT:

EXPLANATORY RECITALS

WHEREAS, the United States Corps of Engineers has constructed and
the Secretary of the Interior is operating the New Melones Project on the
Stanislaus River, California; and

WHEREAS, the Districts obtained License No. 2067 from the Federal
Power Commission (now the Federal Energy Regulatory Commission) for the
Tulloch Power Project. Article 29 of that License requires the Districts
to enter into an agreement with the United States, satisfactory to the
Commission, whereby the United States, will be permitted to use Tulloch Dam
and Reservoir, referred to in License No. 2067 as Tulloch Power Project,
for necessary afterbay reregulation of water releases through the New
Melones Powerplant; and

WHEREAS, this Agreement does not address the issue of payment of
compensation by the United States to the Districts for the United States
use of the Tulloch Dam and Reservoir as an afterbay, because the parties
recognize that Article 31 of License No. 2067 provides that the Federal
Energy Regulatory Commission reserves the right to determine such
compensation, if any; and

WHEREAS, this Agreement does not address the issue of whether the
Districts should be required to pay to the United States any headwater
benefits charge for the Tulloch Power Project, nor does it set forth the
manner in which such charge, if any, should be computed, because the
parties recognize that the Federal Energy Regulatory Commission is the
federal agency empowered to compute and require the payment of such a
charge; and

WHEREAS. The United States entered into an Agreement and Stipulation with the Districts, dated October 24, 1972, hereinafter referred to as the 1972 Agreement, superseded by a new Agreement and Stipulation dated August 30, 1988, hereinafter referred to as the 1988 Agreement, a copy of which is and attached hereto as Exhibit A, which recognizes the water rights of the Districts on the Stanislaus River:

WHEREAS. it is in the best interest of the United States and the Districts to operate New Melones Dam, Tulloch Dam, Goodwin Dam, and their respective reservoirs and power facilities in accordance with the terms and conditions set forth below.

NOW, THEREFORE, IT IS AGREED:

DEFINITIONS

1. When used herein:

- (a) The term "New Melones Project" shall mean the Federal reclamation project including the New Melones Dam, Reservoir and appurtenant facilities on the Stanislaus River constructed by the United States and operated as the New Melones Unit of the Central Valley Project in accordance with the Flood Control Act of December 22, 1944, 58 Stat. 887, P.L. 78-534, as modified by Section 203 of the Flood Control Act of October 23, 1962, 76 Stat. 1191, P.L. 87-874;
- (b) The term "Tri Dam Project" shall mean Donnells, Beardsley, Goodwin, and Tulloch Dams and their respective reservoirs with associated powerplants and appurtenant facilities;
- (c) The term "Goodwin Diversion Dam" shall mean the Districts' dam about 1 and 3/4 miles downstream from Tulloch Dam.
- (d) The term "Project Water" shall mean water appropriated by the United States for direct diversion or for storage behind and redirection from New Melones Dam and Reservoir;
- (e) The term "Districts' conserved water" shall mean water stored in New Melones Reservoir and available to the Districts in accordance with Article 4 of the 1988 Agreement;
- (f) The term "water year" shall mean October 1 of each calendar year through September 30 of the following year; and
- (g) The term "Secretary" or "Contracting Officer" shall mean the Secretary of the Interior or his duly authorized representative

TERM. REVIEW. AND MODIFICATION

2. (a) The parties intend to review this Operation Agreement periodically. Either the United States or the Districts may at any time request modification of a specific provision or provisions of this Agreement.
- (b) Upon such a request, the parties shall, within 90 days, negotiate a modification of the disputed issue or issues. Should the parties be unable, within such period, to agree upon such a modification, each party reserves all rights and remedies available to it for a resolution of the disputed issue.
- (c) Upon the lapse of the 90-day negotiation period, either party may initiate a dispute resolution proceeding concerning the disputed provision, in which event:
 - (i) The disputed provision shall cease to be in effect (unless the parties otherwise agree).
 - (ii) All remaining terms and provisions of this Agreement shall remain in effect.

OPERATION OF NEW MELONES DAM AND RESERVOIR
TO SATISFY AGREEMENT AND STIPULATION
BETWEEN UNITED STATES AND DISTRICTS

3. The United States and the Districts shall comply with the 1988 Agreement and any amendments thereto.

OPERATION OF TULLOCH DAM AND RESERVOIR

4. (a) Tulloch Dam and Reservoir shall be operated by the Districts as an afterbay for the New Melones Project. The Districts shall make releases from Tulloch Reservoir for New Melones Project requirements in accordance with United States instructions. The Districts may also make releases from Tulloch Reservoir to utilize the quantities of water to which the Districts are entitled under the terms of the 1988 Agreement. The United States shall endeavor to operate the New Melones Project to maintain the Tulloch reservoir water surface elevation at or above 501.6 feet m.s.l. from March 20 to November 1 of each year unless otherwise required for maintenance or emergencies. Tulloch Reservoir water surface shall not be reduced below elevation 495.0 feet m.s.l. for maintenance of New Melones Dam and Reservoir without prior agreement between the parties. Further, it is recognized that power operation of the New Melones Project may subject Tulloch Reservoir to daily fluctuations in water surface elevations.

- (b) The Districts shall operate Tulloch Dam and Reservoir for flood control purposes in accordance with directions from the United States Bureau of Reclamation to permit the United States Bureau of Reclamation to comply with the United States Corps of Engineers' Reservoir flood control criteria ¹ unless the Districts determine that a variation is necessary to protect the safety of Tulloch Dam, Goodwin Dam, their respective reservoirs, their respective appurtenances, or any of them, or to avoid serious hazards. Any variation shall be reported by the Districts by the fastest means available to the Central Valley Operations Control Center and the Districts shall transmit written confirmation of such variance to the Corps of Engineers within 48 hours. The United States shall consult with the Districts to optimize power production at Tulloch Dam and Reservoir during flood control operations.

MONITORING

5. (a) The quantity of water stored in New Melones Reservoir shall be computed by the United States at midnight of each calendar day based upon the water surface elevation of the Reservoir and the United States Corps of Engineers' area capacity tables dated October 1978, or any subsequent revisions thereof.
- (b) Daily inflow to New Melones Reservoir shall be the sum of:
- (i) the daily change in storage in New Melones Reservoir;
 - (ii) the daily releases and diversions from New Melones Reservoir; and
 - (iii) the daily evaporation loss from New Melones Reservoir utilizing the most currently accepted means of accurately measuring evaporation.
- Precipitation on the Reservoir surface is accounted for in storage and shall not be considered separate from the daily inflow.
- (c) The quantity of water stored in Tulloch Reservoir shall be computed by the Districts at midnight of each calendar day based on the water surface elevation of Tulloch Reservoir and area capacity tables prepared by the Districts.

¹ "New Melones dam and Lake, Stanislaus River, California. Report on Reservoir Regulation for Flood Control. Appendix V. to Master Manual of Reservoir Regulation, San Joaquin River Basin, California." dated January, 1980. along with any subsequent revisions.

- (d) The Districts shall measure and maintain records of the releases and spills from Tulloch Dam and Reservoir, diversions to the Districts, releases and spills to the Stanislaus River at Goodwin Dam, and diversion to others at Goodwin Dam.
- (e) Water measurement devices utilized by the Districts and the United States shall be operated and maintained to tolerances of accuracy agreed upon by the United States and the Districts. The parties shall examine, test and service their respective devices regularly to assure their accuracy. Either party may inspect the measuring devices installed, operated and maintained by the other party at any reasonable time. The party operating those devices shall promptly correct any deficiencies in those devices noted during such inspections.

EXCHANGE OF OPERATIONAL DATA

- 6. (a) On a daily basis, the United States shall provide the Districts with operational data regarding New Melones Dam and Reservoir and Project water requirements and the Districts shall provide the United States with operational data regarding Tulloch and Goodwin Dams and Reservoirs. The operational data shall include, as a minimum, reservoir storage, computed inflow, total releases from the facility, and changes in storage.
- (b) Beginning with February of each year, after the Bureau has provided its preliminary forecast of inflow in accordance with paragraph 4 of the 1988 Agreement, the Districts shall provide the United States with a forecast of diversions for the irrigation season. Said forecast shall be updated by the end of each month during the irrigation season. Diversion forecasts shall include estimated monthly diversions to the Districts' canals from Goodwin Dam.
- (c) On or before December 31 of each year, the parties shall exchange, in writing, schedules of the maintenance and replacement work which the parties intend to perform on their respective facilities during the following calendar year, and which would affect the other party or parties. The parties shall notify each other of any proposed revision in these schedules.
- (d) The United States and the Districts shall operate and maintain the telemetry equipment purchased and installed in accordance with Contract No. 2-07-20-x0242, as amended, a copy of which is attached hereto as Exhibit B.

INCREASED OPERATING COSTS

7. (a) The United States shall reimburse the Districts for any reasonable increased costs incurred by them subsequent to November 20, 1979 resulting from the operation of Tulloch Reservoir as an afterbay for the New Melones Project and/or Goodwin Dam for regulation and diversion of Project Water. The costs incurred by the Districts as a result of the of diversion of any Project Water from Goodwin Reservoir shall be addressed in a separate agreement between the Districts and the user of the Project Water.
- (b) Within 60 days after the signing of this Agreement, the Districts shall submit to the Contracting Officer, in such detail as he/she shall reasonably require, a statement of such costs incurred by the Districts due to operation of New Melones Dam and Reservoir through September 30, 1987.
- (c) Within 60 days after the signing of this Agreement, the Districts shall submit to the Contracting Officer, in such detail as he/she shall reasonably require, an estimate of such costs, if any, anticipated to be incurred by the Districts beginning October 1, 1988 through the next three succeeding water years: including the Districts' share of the anticipated costs of operating the telemetry equipment used jointly by the United States and the District. On or before March 1 of each water year thereafter, the Districts shall submit to the Contracting Officer a similar estimate of such costs for the three succeeding water years. These estimates shall be based on operating plans submitted by the United States to the Districts by February 1 of each year.
- (d) On or before December 31, following the signing of this Agreement, and on or before each succeeding December 31, the Districts shall submit to the Contracting Officer in such detail as he/she may require, a statement of such costs actually incurred by the Districts, if any, during the preceding water year.
- (e) The Contracting Officer shall reasonably review and approve the payment of such costs.
- (f) The United States shall, within 90 days of receipt of the statements described in Subarticles 7(b) and 7(d) above, subject to the appropriation of funds, reimburse the Districts for such costs, which are approved by the Contracting Officer. All such costs to the Districts approved by the Contracting Officer, which are in excess of appropriated funds shall be included in the statements described in Subarticles 7(b) and 7 (d) submitted for the succeeding years' expenses:

Provided, That the parties reserve all their respective rights, remedies and defenses with regard to the disapproval by the United States of any such costs remaining unpaid and the timeliness of the United States payments of such costs.

RECORDS

8. The parties hereto shall maintain adequate and appropriate operational records for their facilities, such records to be subject at reasonable times for inspection by authorized representatives of either party.

UNCONTROLLABLE FORCE - HOLD HARMLESS

9. No party shall be considered to be in default of any obligation assumed hereunder, if prevented from fulfilling such obligation by reason of uncontrollable forces, including drought, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, and restraint by court of public authority, which by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Either party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch. This paragraph shall not be applicable to the 1988 Agreement.

Additional Tulloch Goodwin Hydroelectric Facilities

10. This Agreement is entered into in light of the following facts:
 - (a) The reauthorization of the New Melones Project in Section 203 of the Flood Control Act of 1962 (P.L. 87-874, 76 Stat. 1173) did not include authorization for construction by the United States of powerplants at Tulloch or Goodwin Dams and the United States does not object, at this time, to such construction by the Districts.
 - (b) The Districts have invested substantial monies in the development of the necessary permits and plans for development and installation of:
 - (i) power generation facilities utilizing the power head at Goodwin Reservoir; and
 - (ii) additional generating capacity at Tulloch Reservoir to provide for the passage of additional water through the power generation facilities in lieu of spilling water over Tulloch spillway.

- (c) At such time as the Districts have finalized their plans for such facilities, they shall submit those plans to the United States to provide for the coordinated use and operation of the facilities described in Paragraph 10(b) with the New Melones Project. Any terms of this Agreement required to be modified and/or new terms added as a result, shall be incorporated herein by mutual consent.

OFFICIALS NOT TO BENEFIT

11. No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

12. The provisions of this Agreement shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Agreement or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

13. The expenditure or advance of any money or the performance of any work by the Districts hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Districts from any obligation under this Agreement. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

NOTICES

14. Unless specifically otherwise provided for in this Agreement, any notice, demand, or request authorized or required by this Agreement, excepting operational communications, shall be deemed to have been given, on behalf of the Districts, when mailed, postage prepaid, or delivered to the Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage Way, Sacramento, CA 95825, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors of the following:

Tri Dam Project
Star Route 1303
Sonora, CA 95370

Oakdale Irrigation District
Post Office Box 188
Oakdale, California 95361

South San Joaquin Irrigation District
11011 East Highway 120
Manteca, CA 95336

The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first hereinabove written.

THE UNITED STATES OF AMERICA

By *Neil W. Scheld*
Noting Regional Director, Mid-Pacific Region
Bureau of Reclamation

OAKDALE IRRIGATION DISTRICT

Attest:

By *W. J. Sukhman*
President

Eugene O. Bergeron
Secretary

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

Attest:

By *B. J. Schup*
President

Barrett Hill
Secretary

RESOLUTION NO. 88-312:
RESOLUTION DECLARING EMERGENCY PURSUANT
TO CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Oakdale Irrigation District and the South San Joaquin Irrigation Districts hold extensive water rights to the flows of the Stanislaus River, and those Districts did in 1972 enter into a Stipulation and Agreement with the Bureau of Reclamation of the United States Department of Interior providing for the recognition of those water rights; and

WHEREAS, the Oakdale Irrigation District and the South San Joaquin Irrigation Districts have pursuant to the rights recognized in the 1972 Stipulation and Agreement an entitlement to the full inflow into New Melones Reservoir up to the total of 654,000 acre-feet in any water year; and

WHEREAS, during the 1987 and 1988 water years the inflow into New Melones Reservoir is approximately one half of such amount and provides an inadequate amount of water to irrigate the lands within the boundaries of the respective Districts without supplemental water supplies or storage of water; and

WHEREAS, the Department of Interior, Bureau of Reclamation has proposed that if the Oakdale Irrigation District and South San Joaquin Irrigation District will enter into a modification of the 1972 Stipulation providing for a reduction in the maximum amounts of inflow which may be diverted by the Districts by 54,000 acre-feet in each water year, the Bureau of Reclamation will provide to the Districts during the 1988 water year and in each water year hereafter in which the inflow is less than 600,000 acre feet, an amount equal to one third of the shortfall in water inflow below 600,000 acre-feet; and

WHEREAS, the Bureau of Reclamation has further asked that as a condition of such stipulation and the receipt of up to an additional 100,000 acre-feet during the 1988 water year (provided it can be utilized prior to October 1, 1988) and a similar amount in similar future drought conditions that the Districts recognize the right of the Bureau in the operation of New Melones Reservoir to release waters for generation by the Districts at Tulloch Reservoir with the Districts accepting such releases in satisfaction of the Districts' prior power generation rights; and

WHEREAS, the Bureau of Reclamation has further proposed a conservation account which would permit water saved in any year to be carried forward under certain restrictive conditions into later dry years.

1...THE BOARD OF DIRECTORS OF THE OAKDALE IRRIGATION DISTRICT DOES HEREBY FIND, DECLARE AND RESOLVE AS FOLLOWS:

a. There is an emergency condition within the Oakdale Irrigation District in that the water supplies available to the District are inadequate to permit any irrigation of lands or water supply for any purposes after August 18, 1988. The lack of water thereafter will result in the loss of permanent pasture, permanent tree crops if there is no alternative water supply and the loss and damage to annual crops for which there is no alternative water supply. Unless water can be provided, the approximately 116,014 acres irrigated within the Districts will be without water supply unless the lands have alternative onsite water supplies available to them.

b. The lack of water creates a severe economic hardship to the landowners and water users within the boundaries of the District in that they cannot continue to raise the crops planted upon the property without alternative water supplies which in general are more expensive and often prohibitively expensive in light of the crop value.

c. The emergency extends to and includes the potential of future drought years upon the Stanislaus River in which the same conditions will reoccur. The project of entering into a revised stipulation providing additional waters in drought years and less maximum entitlement in more abundant water years poses the possibility of eliminating or reducing emergency drought conditions within the District both in the short term and long term.

d. Unless action is taken to provide for additional waters to the lands within the Oakdale Irrigation District in 1988, damage to crops, reduction in the value of real property and economic hardship to the landowners and residents within the District will occur immediately and in similar circumstances in future drought years.

2. The Board of Directors having found each of the above findings to be true and correct, the Board does hereby on the basis thereof, declare that an Emergency exists as defined in Section 21060.3 of the California Administrative Code in that there is a "sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to property.."

3. The Board of Directors does hereby resolve that the Secretary is authorized to execute on behalf of the Board the attached Notice of Exemption to cause the filing and posting of that Notice together with this Resolution and the taking of all other steps and measures to satisfy the requirements of the California Environmental Quality Act in regard and respect to the proposed project of executing an Amendment of the 1972 Stipulation and Agreement by executing the 1988 Agreement and Stipulation together with the agreement for provision

of water pursuant to such 1988 Agreement during the water year ending October 1, 1988 and further executing the Operating Agreement for the Tulloch Reservoir and Goodwin Reservoir.

Adopted this 24th day of August 1988 by the following vote:

Ayes: Directors Kuhlman, Van Lier, Van Ruiten and Webb

Noes: None

Abstain: None

Absent: Director Lutz



D. E. Kuhlman, President
Board of Directors



Eugene O. Bergeron, Secretary
Oakdale Irrigation District

Agreement and Stipulation

This Agreement and Stipulation is made by and between the United States of America, by and through the United States Department of the Interior, Bureau of Reclamation, Mid-Pacific Region, hereinafter referred to as the "United States", and the Oakdale Irrigation District and the South San Joaquin Irrigation District, hereinafter referred to as the "Districts".

W I T N E S S E T H :

WHEREAS, the United States has constructed New Melones Dam and Reservoir and is operating it in conjunction with other facilities of the Central Valley Project (CVP) and other facilities on the Stanislaus River, and

WHEREAS, said Dam and Reservoir inundated the pre-existing Melones Dam and Reservoir of the Districts, and

WHEREAS, the Districts and the United States entered into an Agreement and Stipulation regarding the Districts' water rights on the Stanislaus River on October 24, 1972, and

WHEREAS, the following is substituted for that Agreement and Stipulation.

NOW, THEREFORE, THE PARTIES FURTHER AGREE AS FOLLOWS:

The October 24, 1972 Agreement and Stipulation is hereby superseded and in recognition of the water rights of the Districts, the United States will deliver each water year to the Districts for diversion at Goodwin Diversion Dam the following quantity of water:

1. The inflow to New Melones plus the amount derived by the following formula: $(600,000 - \text{inflow})$ divided by 3: limited to a maximum entitlement of 600,000 acre-feet of water each water year. The inflow used herein is the total inflow into New Melones Reservoir during the water year, expressed in acre-feet, as computed by the Bureau of Reclamation Central Valley Operations Coordinating Office in consultation with the Districts.
2. The water year shall be from October 1 of each year through September 30 of the following year.
3. For the purposes of estimating the amount of water available for the Districts, the Bureau of Reclamation will furnish a forecast in April of the inflow to New Melones Reservoir for the water year. Preliminary forecasts will be made available to the Districts in February and March.

4. Commencing September 30, 1989 and at the close of each water year thereafter, the Districts' conserved water, for that water year, shall be computed as the difference between the Districts' entitlement, as computed in paragraph 1 above, and the water delivered to the Districts at Goodwin Dam. The Districts' conserved water may be stored in New Melones Reservoir up to a cumulative total amount of 200,000 acre-feet. Said conserved water may be used by the Districts, in whole or part in any subsequent water year, to augment their entitlement, for that water year, as computed in paragraph 1 and may be utilized in the same manner as water made available to the Districts under paragraph 1.

Provided; That, in the event water is released for flood control purposes, the Districts' conserved water stored in New Melones Reservoir will be the first water so released.

Provided Further; That, in any year CVP users taking water from the Stanislaus River are being assessed shortages to their firm contractual supplies, the Districts may not use conserved water to provide total diversions in excess of 450,000 acre-feet unless the quantity derived by applying the shortage percentage being assessed to the CVP users taking water from the Stanislaus River to Districts' 600,000 acre-feet entitlement provides a greater amount.

Provided Further; That in any case, the Districts' total diversions shall not exceed 600,000 acre-feet in any one water year.

Provided Further; That, the term "water released for flood control purposes" as used herein is water released from New Melones Reservoir to maintain the flood control criteria as defined by the United States Corps of Engineers ¹ and such water which is released is in excess of water needed to satisfy all requirements for fish and wildlife, water quality, downstream prior rights, CVP contracts for use of water from the Stanislaus River, and operating agreements between the United States and others. Any other water released from New Melones Reservoir, including but not limited to excess anticipatory flood control releases, which based upon subsequent events would not have been necessary to maintain the flood control criteria referred to above, will not be considered as water released for flood control purposes. At least seven days advance notice shall be provided to the Districts prior to release of any Districts' conserved water during the months of September and October for flood control purposes.

5. The amounts of water specified in paragraphs 1 and 4 above, are derived as an equitable satisfaction of all Districts' consumptive water rights affected by the operation of New Melones Dam and Reservoir including, but not limited to, the Districts' storage of water in Melones.

¹ "New Melones Dam and Lake, Stanislaus River, California. Report on Reservoir Regulation for Flood Control, Appendix V, to Master Manual of Reservoir Regulation, San Joaquin River Basin, California," dated January, 1980, along with any subsequent revisions.

Tulloch and Woodward Reservoirs, evaporation from Melones, Tulloch, and Goodwin Reservoirs and accretions and losses to the Stanislaus River flows between New Melones and Goodwin Dams. The United States will make the quantity of water specified in paragraph 1 and 4 above available to the Districts as requested at any time during the water year. However, the Districts are responsible for restricting the total quantity of water used during the water year, as measured at the South San Joaquin Canal, near Knights Ferry (USGS Gage #11300500) and the Oakdale Canal near Knights Ferry (USGS #11301000), to the amount determined available under the terms of this agreement. This Agreement and Stipulation shall not subject the water provided pursuant to paragraph 1 and 4 to payment by the Districts or to the provisions of the Federal Reclamation Reform Act of 1982 or Federal reclamation law.

6. The Districts have rights under water right Applications 12614, 12783 and 13310 and permits and licenses issued thereon. These instruments entitle the Districts to Stanislaus River water for power generation purposes at the Districts' power plants. The parties agree nothing contained within this Agreement and Stipulation abrogates, limits or diminishes those rights. So long as the United States shall perform each and every term and provision of this Agreement and Stipulation, the Districts will accept the amounts, timing and quantities of water released from New Melones Reservoir through Tulloch Reservoir and shall not object to, protest or complain that those releases do not satisfy or are a derogation or violation of the said power generation water rights of the Districts. Districts shall have the right to utilize the amounts of water specified in paragraphs 1 and 4 for power generation purposes under their said power generation permits and licenses, now existing, and as may be subsequently amended, or under power generation permits or licenses hereafter acquired by the Districts. In addition, water released from New Melones Reservoir through Tulloch Reservoir to meet obligations of the United States, including but not limited to, releases for downstream water quality and fish requirements, releases for parties and agencies contracting with the United States and water released for flood control purposes may be used by the Districts in the exercise of their said power generation water rights.

Provided: That, none of the parties to this Agreement and Stipulation shall be deemed in any proceeding before the Federal Energy Regulatory Commission, by entering into this Agreement and Stipulation, to have waived any claims or defenses regarding the Districts' or the United States entitlements to compensation for the benefits and/or detrimental impacts or offsets against such benefits or detrimental impacts of the New Melones Unit of the Central Valley Project upon the Districts' rights.

This Agreement and Stipulation shall become effective and supersede the Agreement and Stipulation of October 24, 1972 upon and at such time as the State Water Resources Control Board issues an order or otherwise provides that the permits of the United States of America issued pursuant to Decision 1422 shall be subject to this 1988 Agreement and Stipulation in the place of the 1972 Agreement and Stipulation.

Provided Further: That, if the State Water Resources Control Board so acts but imposes any new conditions or modifies any water right permit or license of the Districts or of the United States other than as agreed to herein, the affected party or parties shall have the right to withdraw from this Agreement and Stipulation by giving the other party or parties thirty days advance written notice.

Dated as of this 30th day of Aug., 1988.

THE UNITED STATES OF AMERICA

By *Neil W. Schulz*
Regional Director, Mid-Pacific Region
Acting Bureau of Reclamation

OAKDALE IRRIGATION DISTRICT

By *P. E. Kuhlman*
President

Attest:

Eugene O. Bergeron
Secretary

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By *A. J. Schuss*
President

Attest:

Barnett Kelli
Secretary

RESOLUTION NO. 88-312:
RESOLUTION DECLARING EMERGENCY PURSUANT
TO CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Oakdale Irrigation District and the South San Joaquin Irrigation Districts hold extensive water rights to the flows of the Stanislaus River, and those Districts did in 1972 enter into a Stipulation and Agreement with the Bureau of Reclamation of the United States Department of Interior providing for the recognition of those water rights; and

WHEREAS, the Oakdale Irrigation District and the South San Joaquin Irrigation Districts have pursuant to the rights recognized in the 1972 Stipulation and Agreement an entitlement to the full inflow into New Melones Reservoir up to the total of 654,000 acre-feet in any water year; and

WHEREAS, during the 1987 and 1988 water years the inflow into New Melones Reservoir is approximately one half of such amount and provides an inadequate amount of water to irrigate the lands within the boundaries of the respective Districts without supplemental water supplies or storage of water; and

WHEREAS, the Department of Interior, Bureau of Reclamation has proposed that if the Oakdale Irrigation District and South San Joaquin Irrigation District will enter into a modification of the 1972 Stipulation providing for a reduction in the maximum amounts of inflow which may be diverted by the Districts by 54,000 acre-feet in each water year, the Bureau of Reclamation will provide to the Districts during the 1988 water year and in each water year hereafter in which the inflow is less than 600,000 acre feet, an amount equal to one third of the shortfall in water inflow below 600,000 acre-feet; and

WHEREAS, the Bureau of Reclamation has further asked that as a condition of such stipulation and the receipt of up to an additional 100,000 acre-feet during the 1988 water year (provided it can be utilized prior to October 1, 1988) and a similar amount in similar future drought conditions that the Districts recognize the right of the Bureau in the operation of New Melones Reservoir to release waters for generation by the Districts at Tulloch Reservoir with the Districts accepting such releases in satisfaction of the Districts' prior power generation rights; and

WHEREAS, the Bureau of Reclamation has further proposed a conservation account which would permit water saved in any year to be carried forward under certain restrictive conditions into later dry years.

1. THE BOARD OF DIRECTORS OF THE OAKDALE IRRIGATION DISTRICT DOES HEREBY FIND, DECLARE AND RESOLVE AS FOLLOWS:

a. There is an emergency condition within the Oakdale Irrigation District in that the water supplies available to the District are inadequate to permit any irrigation of lands or water supply for any purposes after August 18, 1988. The lack of water thereafter will result in the loss of permanent pasture, permanent tree crops if there is no alternative water supply and the loss and damage to annual crops for which there is no alternative water supply. Unless water can be provided, the approximately 116,014 acres irrigated within the Districts will be without water supply unless the lands have alternative onsite water supplies available to them.

b. The lack of water creates a severe economic hardship to the landowners and water users within the boundaries of the District in that they cannot continue to raise the crops planted upon the property without alternative water supplies which in general are more expensive and often prohibitively expensive in light of the crop value.

c. The emergency extends to and includes the potential of future drought years upon the Stanislaus River in which the same conditions will reoccur. The project of entering into a revised stipulation providing additional waters in drought years and less maximum entitlement in more abundant water years poses the possibility of eliminating or reducing emergency drought conditions within the District both in the short term and long term.

d. Unless action is taken to provide for additional waters to the lands within the Oakdale Irrigation District in 1988, damage to crops, reduction in the value of real property and economic hardship to the landowners and residents within the District will occur immediately and in similar circumstances in future drought years.

2. The Board of Directors having found each of the above findings to be true and correct, the Board does hereby on the basis thereof, declare that an Emergency exists as defined in Section 21060.3 of the California Administrative Code in that there is a "sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to property.."

3. The Board of Directors does hereby resolve that the Secretary is authorized to execute on behalf of the Board the attached Notice of Exemption to cause the filing and posting of that Notice together with this Resolution and the taking of all other steps and measures to satisfy the requirements of the California Environmental Quality Act in regard and respect to the proposed project of executing an Amendment of the 1972 Stipulation and Agreement by executing the 1988 Agreement and Stipulation together with the agreement for provision

of water pursuant to such 1988 Agreement during the water year ending October 1, 1988 and further executing the Operating Agreement for the Tulloch Reservoir and Goodwin Reservoir.

Adopted this 24th day of August 1988 by the following vote:

Ayes: Directors Kuhlman, Van Lier, Van Ruiten and Webb

Noes: None

Abstain: None

Absent: Director Lutz


Eugene O. Bergeron, Secretary
Oakdale Irrigation District


D. E. Kuhlman, President
Board of Directors

Categorical Exclusion Checklist

Project: 1988 Agreement and Stipulation Between
the USBR and Oakdale and South San Joaquin
Irrigation Districts for use of Water from
New Melones Reservoir

Date: 8/29/88

Nature of Action: In the 1950's, the Oakdale and South San Joaquin Irrigation Districts formed the Tri-Dam Project and constructed three reservoirs on the Stanislaus River. One of these reservoirs, Tulloch Dam and Reservoir, was below the proposed site of the federally authorized New Melones Dam and Reservoir. One of the requirements in the power license issued by the Federal Power Commission, now the Federal Energy Regulatory Commission, was that the Districts enter into an agreement with the United States for the use of Tulloch Reservoir as an afterbay for the New Melones powerplant.

A 1972 Agreement and Stipulation was entered into among the Districts and the United States to resolve the districts protest of the granting of water rights to the United States for the operation of the New Melones Project. This agreement has been difficult to administer and a dispute arose regarding its interpretation. To resolve this dispute the 1972 Agreement has been renegotiated. The 1988 Agreement and Stipulation defines the prior water rights of the Districts and will be used to determine the water available to the Districts in the operation of the New Melones Unit of the Central Valley Project (CVP).

The 1988 Agreement will provide for a more dependable water supply to the Districts by reducing their maximum entitlement and making that water available to the Districts by guaranteeing an additional amount of water to the Districts from New Melones Reservoir in dry periods. The net result of the Agreement is that at full development, New Melones Reservoir may be at higher elevations during normal and wet years and will be at the same level in drier periods.

The CVP will realize a slight increase in yield of approximately 7,000 acre-foot of water. Other benefits will be additional instream flows in some dry years under the interim agreements with the California Department of Fish and Game and the South Delta Water Agency. Under the 1988 Agreement, releases for instream flows will be greater than under the 1972 Agreement.

The Agreement for the Operation of New Melones Dam and Reservoir will not result in any adverse environmental impact. It is an agreement as to the manner in which the parties to the Agreement will operate their respective project facilities, monitor and exchange data on operations, and pay the increased operating costs due to the United States operation of the New Melones Unit of the CVP.

Exclusion Category: D.4 Approval and execution of water service contracts for long-term water use where the action does not lead to long-term changes and where the impacts are expected to be localized.

Evaluation of criteria for Categorical Exclusion

- | | | | | |
|--|----|----------|-----------|-----|
| 1. This action or group of actions would have a significant effect on the quality of the human environment | No | <u>X</u> | Uncertain | Yes |
| 2. This action or group of actions would involve unresolved conflicts concerning alternative uses of available resources | No | <u>X</u> | Uncertain | Yes |

Evaluation of exceptions to actions within Categorical Exclusion

- | | | | | |
|---|----|----------|-----------|-----|
| 1. This action would have significant adverse effects on public health or safety | No | <u>X</u> | Uncertain | Yes |
| 2. This action would affect unique geographical features as: wetlands, wild or scenic rivers, refuges, floodplains, etc. | No | <u>X</u> | Uncertain | Yes |
| 3. The action will have highly controversial environmental effects | No | <u>X</u> | Uncertain | Yes |
| 4. The action will have highly uncertain environmental effects or involve unique or unknown environmental risk | No | <u>X</u> | Uncertain | Yes |
| 5. This action will establish a precedent for future actions | No | <u>X</u> | Uncertain | Yes |
| 6. This action is related to other actions with individually insignificant but cumulatively significant environmental effects | No | <u>X</u> | Uncertain | Yes |
| 7. This action will affect properties listed or | No | <u>X</u> | Uncertain | Yes |

eligible for listing in
the National Register
of Historic Places

8. This action will affect a species listed or proposed to be listed as endangered or threatened No X Uncertain _____ Yes _____

9. This action threatens to violate Federal, State, local or tribal law or requirements imposed for protection of the environment No X Uncertain _____ Yes _____

NEPA Action: Categorical Exclusion X EA _____ EIS _____

Explanation and/or remarks:

Preparer's Name and Title: William D. Payne, Environmental Specialist
Date: August 29, 1988

Regional Archeologist concurrence with item 7: S. J. West

Concur: J. J. [Signature] Date: 8/30/88
Division/Office Chief

Concur: Roderic M. Hall Date: 8/29/88
Regional Environmental Officer

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