

**2015 TRANSFER AGREEMENT
BETWEEN
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS
WATER AUTHORITY,
FRIANT WATER AUTHORITY,
DELANO-EARLIMART IRRIGATION DISTRICT, LINDMORE
IRRIGATION DISTRICT, MADERA IRRIGATION DISTRICT,
ORANGE COVE IRRIGATION DISTRICT, and
TERRA BELLA IRRIGATION DISTRICT
for the benefit of the FRIANT DIVISION CLASS I CONTRACTORS**

THIS AGREEMENT (Agreement) is made and entered into this 11th day of May, 2015, by and between the SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY (EXCHANGE CONTRACTORS), FRIANT WATER AUTHORITY, DELANO-EARLIMART IRRIGATION DISTRICT, LINDMORE IRRIGATION DISTRICT, MADERA IRRIGATION DISTRICT, ORANGE COVE IRRIGATION DISTRICT, and TERRA BELLA IRRIGATION DISTRICT. The Agreement is intended to benefit all Participating Friant Division Class I Contractors.

W I T N E S S E T H

WHEREAS, EXCHANGE CONTRACTORS' members are parties to the Second Amended Contract for Exchange of Waters dated December, 1967, and have senior water rights associated with the San Joaquin River (SJR);

WHEREAS, Friant Division contractors have contracts with the United States Bureau of Reclamation (Reclamation) for water supplies that are generally delivered from Millerton Lake (Millerton) via the Friant-Kern Canal or the Madera Canal;

WHEREAS, for the second time since 1951, Reclamation is scheduled to deliver water down the San Joaquin River from Millerton and Friant Dam to the EXCHANGE CONTRACTORS. Reclamation will also deliver water from the Delta-Mendota Canal and the San Luis Reservoir to the EXCHANGE CONTRACTORS;

WHEREAS, this transfer is one transaction among others which will be accomplished as a package. The total package includes a guarantee of a future return of 7,200 acre feet of water from Friant Class 1 participating districts by or before the next future year when the Class 1 allocation greater than or equal to 90%, is available. The guarantee of the return water can be from any combination of Class 1 contractors participating in the program; and

WHEREAS, the Friant Division Class 1 contractors that are parties to this Agreement, DELANO-EARLIMART IRRIGATION DISTRICT, LINDMORE IRRIGATION DISTRICT, MADERA IRRIGATION DISTRICT, ORANGE COVE IRRIGATION DISTRICT, and TERRA BELLA IRRIGATION DISTRICT, have agreed that they are willing and able to guarantee the delivery of 7200 acre feet, in the event that no other Class 1 Friant contractors choose to take any of the water made available under this program.

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. The term of this Agreement is effective on the date entered above and will continue until the Agreement provisions as detailed below are completed. The obligations contained in this Agreement are conditioned in each regard upon approval by the Bureau of Reclamation and upon conclusion of the full package of agreements in regard to transfers and exchanges related to the 2015 water supplies available to the Exchange Contractors from San Joaquin river flows or stored water up to February 29, 2016. If the full package is not approved by the Exchange Contractors and the Bureau of Reclamation, the terms of this instrument shall constitute only an offer and the Friant Contractors executing this agreement shall be excused from their performance of the terms of this agreement.
2. EXCHANGE CONTRACTORS will transfer to Friant the amount of Ten Thousand Acre Feet (10,000 AF) of water from their 2015 San Joaquin River water supplies available to them. The Point of Delivery is Mendota Pool.
3. The price for the transferred water is \$1,000 per AF net to the EXCHANGE CONTRACTORS and \$10,000,000 is due and payable upon the execution of this agreement and Bureau approval.
4. FRIANT will offer the water made available under this Agreement to all Class 1 Friant Division contractors who indicated they wished to participate. FRIANT will require that any participating contractors agree that the use of said water shall be consistent with Reclamation's approval of the schedule of releases. Friant's preliminary schedule anticipates delivery of this water by February 28, 2016.
5. FRIANT will also require that any participating Friant Division Class 1 contractors agree and affirm that they will use the transferred water within the Friant service area and will not transfer, exchange, or otherwise move the water outside of those boundaries.
6. FRIANT will require that the participating Friant Division Class 1 contractors agree that delivery of water out of Millerton to participating Friant contractors shall be at flow rates as mutually agreed upon by the participating Friant contractor, EXCHANGE CONTRACTORS and Reclamation.
7. This Agreement is consistent with the Final 2013 EIR/EIS titled, "Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority, 2014-2038." The Notice of Determination was signed March 1, 2013, and the Record of Decision signed July 30, 2013.
8. This Agreement shall constitute an authorization by the EXCHANGE CONTRACTORS for Reclamation to deliver the amount of water herein agreed upon. FRIANT shall require all Friant Division Class 1 contractors who participate in this program to agree that irrevocable and unconditional instructions will be provided to the Bureau of Reclamation to deliver from their Class 1 supplies each contractor's proportional share of the 7200 acre feet due under the conditions of this Agreement. Execution of this Agreement and its effectiveness hereafter shall further constitute irrevocable and unconditional instructions to the Bureau of Reclamation by the participating Friant Division Class 1 districts to deliver from their Class 1 supplies their proportionate share of the 7200 acre feet due under the conditions of this Agreement, unless the participating Friant districts have provided such water from other sources.

9. FRIANT shall be responsible to pay all water charges and fees associated with this transfer including but not limited to delivery costs from the Point of Delivery (Mendota Pool). FRIANT may recover these charges and fees from the participating contractors.
10. Once the Friant contractors' Class 1 allocation is equal to or greater than 90%, the delivery of 7200 acre feet, at no cost to the EXCHANGE CONTRACTORS, is guaranteed. This 7200 acre feet will be delivered at either the Mendota Pool or San Luis Reservoir. The guarantee, at FRIANT's discretion, can be from any combination of participating Friant Class 1 contractors. FRIANT will require that any Class 1 contractor that chooses to take some of the water made available under this program will agree to provide its pro rata share of the 7200 acre feet. The Friant Division Class 1 contractors that are parties to this Agreement agree that they will collectively provide the full 7200 acre feet, on a pro rata basis, in the event that no other Friant Division Class 1 contractors accept FRIANT's offer to participate in this program.
11. The Parties to this Agreement may agree to modify the terms and conditions upon their mutual written consent.
12. This Agreement may be executed in counterparts.

Agreed to by:

SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY

By 

Title: Executive Director

Date: 5-11-15

FRIANT WATER AUTHORITY

By 

Title: ACTING GENERAL MANAGER

Date: 05/11/15

DELANO-EARLIMART IRRIGATION DIST.

By _____

Title: _____

Date: _____

LINDMORE IRRIGATION DIST.

By _____

Title: _____

Date: _____

[signatures continue on next page]

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SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY

FRIANT WATER AUTHORITY

By _____

By _____

Title: _____

Title: _____

Date: _____

Date: _____

DELANO-EARLIMART IRRIGATION DIST.

LINDMORE IRRIGATION DIST.

By 

By _____

Title: GENERAL MANAGER

Title: _____

Date: MAY 8, 2015

Date: _____

[signatures continue on next page]

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SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY

FRIANT WATER AUTHORITY

By _____

By _____

Title: _____

Title: _____

Date: _____

Date: _____

DELANO-EARLMART IRRIGATION DIST.

LINDMORE IRRIGATION DIST.

By _____

By  _____

Title: _____

Title: GENERAL MANAGER

Date: _____

Date: 5/8/15

[signatures continue on next page]

MADERA IRRIGATION DIST.

By TE

Title: GENERAL MANAGER

Date: 5-11-15

ORANGE COVE IRRIGATION DIST.

By _____

Title: _____

Date: _____

TERRA BELLA IRRIGATION DIST.

By _____

Title: _____

Date: _____

MADERA IRRIGATION DIST.

By _____

Title: _____

Date: _____

ORANGE COVE IRRIGATION DIST.

By _____

Title: _____

Date: _____

TERRA BELLA IRRIGATION DIST.

By  _____

Title: GENERAL MANAGER

Date: 5-8-15

MADERA IRRIGATION DIST.

By _____

Title: _____

Date: _____

ORANGE COVE IRRIGATION DIST.

By 

Title: Engineer-Manager

Date: May 11, 2015

TERRA BELLA IRRIGATION DIST.

By _____

Title: _____

Date: _____