

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT ON DIVERSION OF WATER
FROM THE FEATHER RIVER

THIS AGREEMENT, made and entered into this 27th
day of May, 1969, by and between the State of California,
acting by and through the Department of Water Resources, herein-
after called "State"; Richvale Irrigation District, a public agency,
Biggs-West Gridley Water District, a public agency, Butte Water
District, a public agency, and Sutter Extension Water District, a
public agency, hereinafter collectively referred to as "Districts";

WITNESSETH, That:

WHEREAS, the State is constructing or has constructed
Oroville Dam and Edward Hyatt Powerplant and the Thermalito
Diversion Dam, Power Canal, Forebay, Powerplant, and Afterbay,
which will modify the regimen of the Feather River; and

WHEREAS, the Districts divert water of the Feather River
downstream from the City of Oroville pursuant to rights which are
prior in time and superior in right to the water rights of State;
and

WHEREAS, an Agreement as to the operation of Oroville
Dam and related facilities and diversion of water by the Districts
is desirable;

NOW, THEREFORE, it is agreed as follows:

1. Definitions

When used in this agreement, the following terms have
the meanings hereinafter set forth:

(a) "Afterbay Diversion Structures" means the two structures, gates and control facilities constructed by State in the Thermalito Afterbay pursuant to that certain agreement dated July 6, 1964, entered into by and between the parties hereto.

(b) "Afterbay River Outlet" means the structure, gates and control facilities constructed by State in the Thermalito Afterbay for the release of water into the Feather River.

(c) "Agricultural Use" means any use of water primarily in the production of plant crops or livestock for market, including any use incidental thereto for domestic or stockwatering purposes.

(d) "Districts' Service Area" means the lands included within the boundaries shown on Exhibit A attached hereto and made a part hereof."

(e) "Drought" occurs in any year in which the supply of State project water made available by the State for delivery to contractors under their Water Supply Contracts is less than the total of the annual entitlements of all such contractors for that year and in addition one of the following conditions exists:

(1) The April 1 through July 31 unimpaired runoff to Lake Oroville for the current water year as forecasted by the Department of Water Resources (for inclusion in its Bulletin No. 120, "Water Conditions in California") on February 1 and modified by subsequent monthly reports thereafter as conditions and information warrant, is equal to or less than six hundred thousand (600,000) acre-feet; or

(2) The total accumulated actual deficiencies of unimpaired runoff to Lake Oroville below two million five

hundred (2,500,000) acre-feet in the immediately prior water year or series of successive prior water years each of which had runoff of less than two million five hundred thousand (2,500,000) acre-feet, together with the predicted deficiency, below two million five hundred thousand (2,500,000) acre-feet, for the current water year, exceed four hundred thousand (400,000) acre-feet.

(f) "Flood Control Criteria" means the criteria governing maximum reservoir levels at Lake Oroville in order to provide flood control established pursuant to Article 1 of the contract between the Department and the United States Army Corps of Engineers dated March 8, 1962.

(g) "Irrigation Season" means the period of April 1 through October 31 of each year.

(h) "Joint Manager" means the person, and in his absence his assistant, employed by the Districts to act for them in giving diversion schedules and notices to State and receiving notices and reports to be given by the State to Districts, in accordance with this Agreement.

(i) "Limitation Period" means the period between April 1 and May 31 in all years in which the reduction of deliveries of the annual entitlement for water to be put to Agricultural Use by San Joaquin Water Supply Contractors as imposed by the State in accordance with Article 18(a) of the Water Supply Contracts does not exceed twenty-five percent (25%) or there is no such reduction and the period between March 1 and May 31 in all years in which said percentage reduction exceeds twenty-five percent (25%).

(j) "Pacific" means Pacific Gas and Electric Company and includes its predecessors, successors and subsidiaries.

(k) "San Joaquin Water Supply Contractors" means public agencies located in the San Joaquin Valley that are parties to Water Supply Contracts for delivery of water for Agricultural Use.

(l) "Sutter" means Sutter Extension Water District.

(m) "Sunset" means the Sunset Pumping Plant of Sutter, and includes both the existing plant and additional pumping facilities that may be constructed by Sutter at or near the site of its present pumping plant.

(n) "Tributaries of the Feather River" means all forks of the Feather River and streams flowing into the Feather River or any of its forks, but does not include streams, creeks or channels flowing into the Sacramento River.

(o) "Water Supply Contracts" means the long-term Water Supply Contracts that the State has heretofore entered into with public agencies for supplying water made available by Lake Oroville and other facilities of State, such as the Water Supply Contract entered into with The Metropolitan Water District of Southern California, dated November 4, 1960.

(p) "Water Year" means the period commencing with October 1 of one year and extending through September 30 of the next.

(q) "Western Canal Points of Delivery" means the structures, gates and control facilities constructed by State in the Thermalito Afterbay for delivery of water to Pacific through Western Canal outlets 1 and 2.

2. Water Diversions of the Districts

(a) Except as provided in Article 4 of this Agreement, Districts shall have the right to divert from the Feather River at the Afterbay Diversion Structures each Irrigation Season, five hundred sixty thousand (560,000) acre-feet of the water of the Feather River up to and including the year 1980 and five hundred fifty-five thousand (555,000) acre-feet each Irrigation Season thereafter: Provided, That in any year in which a temporary shortage due to Drought occurs, five hundred fifty-five thousand (555,000) acre-feet to and including 1980 and five hundred fifty thousand (550,000) acre-feet thereafter of the quantity of water Districts shall be entitled to divert under this Article 2(a) shall be reduced by a percentage not to exceed fifty percent (50%) in any one (1) year or a total of one hundred percent (100%) in any series of seven (7) consecutive years, and further not to exceed the percentage for the reduction of deliveries of annual entitlements for water to be put to Agricultural Use in that year by San Joaquin Water Supply Contractors as imposed by the State in that year in accordance with Article 18(a) of the Water Supply Contracts: Provided further, That there shall be added to such reduced amount, and Districts shall be entitled to divert, an additional quantity of water equal to the amount of such reduction but not to exceed thirty-five thousand (35,000) acre-feet. The quantities of water Districts shall be entitled to divert under this Article 2(a) computed in accordance with the foregoing provisions are as set forth in Columns 2 and 3 of Exhibit B attached hereto and made a part hereof.

Diversions under the preceding provisions of this Article 2(a) shall not exceed two hundred fifty thousand (250,000) acre-feet during the Limitation Period of all years in which Drought does not occur and either or both of the following conditions exist:

(1) The storage in Lake Oroville at any time during the Limitation Period equals or exceeds the Flood Control Criteria.

(2) Any release is made from Lake Oroville during the Limitation Period to prevent Lake Oroville from equaling or exceeding the Flood Control Criteria.

During the Limitation Period of all other years in which Drought does not occur, diversions under the preceding provisions of this Article 2(a) shall not exceed two hundred thousand (200,000) acre-feet. During the Limitation Period of all years in which Drought occurs, diversions under the preceding provisions of this Article 2(a) shall not exceed the amount set forth in Column 4 of Exhibit B opposite the percentage of reduction imposed in that year pursuant to Article 18(a) of the Water Supply Contracts on the annual entitlements of water to be put to Agricultural Use by San Joaquin Water Supply Contractors.

The Department shall operate Lake Oroville during the period of April 1 through May 31 to maintain the maximum possible stored water consistent with the Flood Control Criteria and will make no releases prior to June 1 of any year except those provided for in the contract between the Department and Pacific, Southern California Edison Company, and San Diego Gas and Electric Company, dated November 29, 1967.

(b) In addition to the water to be diverted under other provisions of this Article 2, Districts shall have the right to divert and use:

(1) During the period November 1 of each year through March 31 of the next year, such amount of water as Districts determine that they require for reasonable beneficial use but subject to the limitation of diversions during the Limitation Period in years of over twenty-five percent (25%) reduction: Provided, That the State not be estopped from asserting in any judicial or quasi-judicial proceeding that all or any portion of such use is not a reasonable beneficial use.

(2) Pursuant to existing agreements and rights between the Districts and Pacific and agreements that hereafter may be entered into, water to which Pacific is entitled under its contract with State, of which Exhibit C is a copy. State shall not change its said contract with Pacific or permit it to be changed, to diminish in any way the quantity of water Pacific will have available for sale to or use by Districts.

(c) In addition to the water to be diverted under other provisions of this Article 2, Districts shall have the right to divert an additional five thousand (5,000) acre-feet during the Irrigation Season of each year for use as carriage water in the Districts' main canal, provided it is returned to the Feather River above Yuba City as operational spill during the same Irrigation Season. Districts shall measure this return flow and furnish the measurement records to State. State shall be entitled to inspect and test the measuring devices.

(d) In addition to the water to be diverted under other provisions of this Article 2, Sutter shall have the right to divert each Irrigation Season at Sunset and use the following quantities of water:

(1) Sixty-five thousand (65,000) acre-feet in each year in which either the unimpaired runoff to Lake Oroville for the period of April 1 to July 31 as forecasted by the Department of Water Resources (for inclusion in its Bulletin No. 120 "Water Conditions in California") on May 10 is equal to or exceeds one million five hundred thousand (1,500,000) acre-feet, or such predicted runoff when added to the previous years' April 1 to July 31 runoff into Lake Oroville is equal to or exceeds three million (3,000,000) acre-feet.

(2) Fifty thousand (50,000) acre-feet in all other years: Provided, That in any year in which a temporary shortage due to Drought occurs, said amount shall be reduced by a percentage not to exceed fifty percent (50%) in any one (1) year or a total of one hundred percent (100%) in any series of seven (7) consecutive years, and further not to exceed the percentage for the reduction of deliveries of annual entitlements for water to San Joaquin Water Supply Contractors as imposed by the State in that year in accordance with Article 18(a) of the Water Supply Contracts.

Diversions of water during the Limitation Period under the preceding provisions of this Article 2(d) shall not exceed thirty-five percent (35%) of the Irrigation Season entitlement of Article 2(d) water for that year unless releases are made from Lake Oroville during the Limitation Period to prevent Lake

Oroville from equaling or exceeding the Flood Control Criteria or unless the storage in Lake Oroville equals or exceeds the Flood Control Criteria during the Limitation Period.

(e) Notwithstanding the inclusion of March in the Limitation Period, March diversions shall not be included as a part of the amount Districts are entitled to divert during the Irrigation Season.

Any water Districts obtain from Pacific, pursuant to the provisions of Article 2(b) during the Limitation Period shall be added to and increase the amount of water that may be diverted during the Limitation Period by the amount so obtained.

The State shall deliver any portion of the water to which Districts are entitled under this article to the Western Canal Points of Delivery for Pacific and shall deliver any water to which Pacific is entitled to the Districts' Afterbay Diversion Structures and the Afterbay River Outlet for Sutter in accordance with agreements between the Districts and Pacific.

On or before February 15 of each year, State shall furnish Districts a forecast as to whether Drought will occur during that year, as to whether reductions will be imposed, and the percentage of any such reductions, and as to the predicted unimpaired acre-foot runoff into Lake Oroville during the April 1 to July 31 period of that year. An unofficial forecast based on the most recent data available shall be sent to the Districts on or before April 1. An official forecast shall be furnished to Districts on or before April 10. Such forecasts shall be periodically revised as additional data become available: Provided, That the percentage of reduction shall not exceed the percentage set forth in the April 10 forecast.

(f) (1) During the term of this Agreement the Districts shall not divert any water from the Feather River or Tributaries of the Feather River except the water provided for in this Article 2. The Districts shall promptly dismiss Water Right Applications Nos. 13681, 13682, 14919, 14920, 15551, 15552, and 20308, on file with the State Water Resources Control Board and Application No. 2134 before the Federal Power Commission, and shall not file subsequent applications for a project on the Feather River or Tributaries of the Feather River that is the same or similar to the project proposed in said Application No. 2134.

(2) In furtherance of the rights of Districts under the county of origin reservation in the assignment of the State's water rights applications in accordance with Water Code Section 10505, and in furtherance of the rights of Districts under the area of origin law (Water Code Sections 11460-11463), the Districts may obtain project water from the State under the applicable terms of the Standard Provisions for Water Supply Contract approved August 3, 1962, based on the State's prototype water supply contract with The Metropolitan Water District of Southern California, subject, however, to Article 45(h) of the State's Water Supply Contract with the County of Butte dated December 26, 1963. Notwithstanding other provisions of this paragraph, nothing herein contained shall be construed as a waiver by Districts of any rights they may have under the area of origin statutes.

(g) In addition to the water or quantities of water to be diverted under other provisions of this Article 2, Districts may pump and use water obtained from wells located within

Districts' Service Area, and divert, store, and use water from streams and channels other than the Feather River and Tributaries of the Feather River and may divert and use water from drains.

(h) State shall operate Oroville Dam and Lake Oroville and Thermalito Afterbay and related facilities and the Afterbay Diversion Structures to deliver the water provided for in Articles 2(a), 2(b), 2(c), 2(d), 2(e), and Article 3 in accordance with diversion schedules and notices to be given by the Joint Manager.

3. Change in Point of Diversion of Water for Sutter

In addition to the water which may be diverted under Article 2(d) of this Agreement, Sutter may divert at Sunset such portion of the water under Article 2(a) and Article 2(b)(2) as may be designated by the Joint Manager in the diversion schedules and notices to be given under Article 5, instead of diverting it through the Afterbay Diversion Structures. A five percent (5%) reduction shall be applied to any water so designated as diverted under Article 2(a) to determine the quantities thereof that may be diverted at Sunset; no reduction shall be applied to any water purchased by Sutter from Pacific pursuant to Article 2(b)(2).

4. Deliveries During Initial Filling of Lake Oroville

Until storage in Lake Oroville first reaches, or is predicted by State to reach, two million seven hundred thousand (2,700,000) acre-feet, the deliveries of water to the Districts from the Thermalito Afterbay shall be as provided in the letter agreement between Districts, Pacific, and State, dated March 8 1968. Article 2(d) of this Agreement shall not become effective until storage in Lake Oroville first reaches or is predicted by

State to reach two million seven hundred thousand (2,700,000) acre-feet. If storage in Lake Oroville reaches, or is predicted by State to reach, said storage during the period March 1 through October 31 in any year, the rights and obligations of the parties shall be governed by this Agreement for the entire Irrigation Season during that year without regard to the limitation of this article.

5. Diversion Schedules and Notices

(a) On or before October 1 of each year, the Joint Manager shall furnish to State a delivery schedule setting forth the quantities of water to be delivered to the Districts weekly during the next year through the Afterbay Diversion Structures. Districts may revise this schedule on or about April 15 after State has furnished Districts with State's forecast of any deficiency.

(b) The Joint Manager shall submit a weekly schedule not later than 1:00 p.m. on Wednesday preceding the week in which the schedule is to take effect. Such schedule shall set forth the quantities in total acre-feet per week and rates of flow in cubic feet per second to be delivered during the week to the Afterbay Diversion Structures, to Sunset pursuant to Article 2(d), and to the Afterbay River Outlet for delivery to Sutter pursuant to Article 3. For purposes of this section, the week shall be considered as beginning at 12:01 a.m. each Sunday and continuing until 12:01 a.m. the following Sunday.

(c) The Joint Manager shall notify State no later than 4:00 p.m. each day of the rates of flow in cubic feet per second to be delivered to or for Districts during the twenty-four

(24) hour period commencing at 8:00 a.m. on the following day.

(d) Revisions in rates of flow not in excess of fifty (50) cubic feet per second shall be made by State within three (3) hours of any such revised request from Districts.

Revisions in rates of flow of more than fifty (50) cubic feet per second, but less than two hundred (200) cubic feet per second, shall be made by State within twelve (12) hours of any such revised request from Districts. Revisions in rates of flow in excess of two hundred (200) cubic feet per second shall be made by State within twenty-four (24) hours of any such revised request from Districts.

Until such time as the Afterbay Diversion Structures are controlled from State's Control Center, requests for revision of rates of flow shall be made between the hours of 8:00 a.m. and 3:00 p.m. After the Afterbay Diversion Structures are controlled from State's Control Center, such requests may be made at any time.

Any request for revision may be made by telephone, or by such other means as may be agreed upon by the parties. State shall at all times make such changes as requested as soon as practicable, but in no event later than the time limits established herein.

Requests for revisions in the rate of flow shall be given to State's representatives located at State's Oroville headquarters. Initially, State's representatives shall be the Chief Operator, Monday through Friday, except state holidays, and at all other times, the operator located at State's Control Center.

(e) The water deemed delivered to Districts in any week under Articles 2(a), 2(b), 2(c), 2(d), 2(e), and Article 3

shall be the quantity of such water diverted by Districts during that week but subject to all of the following:

(1) The amount deemed delivered shall not be less than the amount ordered for that week in the Joint Manager's weekly schedule as it may be reduced pursuant to his daily notices given under Article 5(c), however, that portion of said reductions that exceeds (1) in any one day 400 acre-feet multiplied by the number of days or fractional day in the week remaining at the time the reduction is ordered to take effect; or (2) in any one week 2800 acre-feet will be deemed delivered to the extent it cannot be conserved by State in Lake Oroville and Thermalito Afterbay but to the extent such excess can be conserved by State in said facilities it shall not be deemed delivered.

(2) Notwithstanding the provisions of the next preceding paragraph, in any week during which State makes releases from Lake Oroville to prevent Lake Oroville from equaling or exceeding the Flood Control Criteria the water deemed delivered through the Afterbay Diversion Structures shall be the quantity of water delivered to the Districts during that week through such structures but not exceeding the amount ordered to be delivered through such structures by the Joint Manager pursuant to the weekly schedule as revised by his daily notices given under Article 5(c).

(3) Water received by Districts in excess of the rate of flow specified in the Joint Manager's daily notice given under Article 5(c) will not be deemed delivered except that the combined flow of water through the Afterbay Diversion Structures, up to 2 percent or 20 cubic feet per second (whichever is greater) in excess of the rate of flow so specified will be deemed delivered.

(4) Water not received by Districts due to the failure of State to comply with the Joint Manager's weekly schedule as revised by his daily notices given under Article 5(c), will not be deemed delivered.

In the event of an emergency threatening the destruction of life or property, the Joint Manager may by telephone order an immediate reduction in the releases of water through the Afterbay Diversion Structures and such changes shall be made immediately by State, or in the event of its failure to do so, the Joint Manager may change the setting of the Afterbay Diversion Structures. In such event, the Districts will be deemed to have received the full flow set forth in the latest current effective diversion schedule or notice for a period not to exceed twelve (12) hours after the reduction is made, but only to the extent that it cannot be conserved by State.

Consistent with its other requirements and contractual obligations, State will endeavor to conserve in the Oroville-Thermalito facilities, water scheduled but which Districts are unable to use during any week.

The quantity of water State is obligated to deliver to Districts during any week under Article 2(a), 2(b), 2(c), 2(d), 2(e) and Article 3 shall not exceed by more than 400 acre-feet in any day the daily quantity of water set forth in the schedule of the Joint Manager for that week: Provided, That the limitation shall not apply in any week during which the State makes releases from Lake Oroville to prevent Lake Oroville from equaling or exceeding the Flood Control Criteria.

To the extent that State can do so consistent with its other requirements and contractual obligations, the State will make available any additional quantities of water Districts may request in excess of the quantity set forth in the schedule of the Joint Manager for that week.

(f) For the purpose of ascertaining if mutually agreeable changes can be made, the terms of this Article 5 shall be reviewed by the parties after the first Irrigation Season during which Afterbay Diversion Structures are controlled from State's Control Center, and thereafter on the request of any party but not more frequently than once every five years.

6. Responsibility for Distribution of Water and Liability of State

Districts shall be responsible for the distribution of water diverted by them after it passes through the Afterbay Diversion Structures and the pumping facilities at Sunset.

Except as otherwise herein provided, neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water diverted under the terms of this Agreement after it passes into Districts' canal system through the Afterbay Diversion Structures or the pumping facilities at Sunset.

State shall be solely responsible for maintaining a sufficient flow of water in the Feather River downstream from the Thermalito Diversion Dam to supply water diverted by others under rights superior to those of State or Districts.

This Agreement does not relieve State or its officers, agents or employees from liability to or from damages to Districts

or third parties arising out of failure of State at any time to comply with this Agreement or the diversion schedules or notices given by Joint Manager pursuant hereto or from injuries to crops or production of crops due to reduction in temperature of water available to Districts during any portion of any Irrigation Season or seasons as a result of water released from Lake Oroville being colder than water that would have been available in the Feather River for diversion by Districts if Oroville Dam had not been constructed. Nothing in this Agreement shall be construed as an admission by State that a reduction in the temperature of water available to Districts will in fact cause injury to crops or production of crops.

7. Districts Not to Transfer Water

Subject to the provisions of Article 2(e) Districts shall not assign or sell the right to use any of the water to be provided for their use under this Agreement, nor deliver any such water to any person or entity located outside Districts' Service Area as shown on Exhibit A without the prior written consent of State. This provision is not violated by reason of the fact that some drain water will escape Districts' Service Area and be used outside such area by third parties or by reason of the fact that water is supplied to flush industrial wastes that may flow outside the service area.

8. Measurement of Diversions

State shall measure diversions into Districts' canal system through the Afterbay Diversion Structures and telephone to the Joint Manager preliminary records of such measurements prior to Wednesday of each week covering the preceding calendar week

and confirm them in writing mailed to the Joint Manager not later than the fifteenth day of each month. The records delivered shall show quantities and average flows each day. Districts shall have the right to inspect and test such measuring devices and obtain data as to water deliveries to Districts at their expense as frequently as they deem necessary. Districts may, at their expense, install equipment at and connected with the Afterbay Diversion Structures and the measuring devices downstream therefrom to transmit, electrically or electronically, information on water deliveries, flows, guage heights, and gate openings: Provided, That the type of equipment and method of installation shall be subject to the approval of the State.

Sutter shall measure all water diverted at Sunset and through the Joint Manager shall telephone to State preliminary records of such measurements prior to Wednesday of each week covering the preceding calendar week and confirm them in writing mailed to State not later than the fifteenth day of each month. The records delivered shall show quantities and average flows each day. State shall have the right to inspect and test the measuring devices and ratings of the pumps at State's expense as frequently as State deems necessary.

9. Term of Agreement

This Agreement between State and Districts takes effect as of the date hereof and shall remain in full force and effect until terminated by the mutual consent of the parties or as provided for in Article 11(c): Provided, That this Agreement shall not be effective until Districts and Pacific have entered into an agreement which, during the period this Agreement and

Exhibit C are in full force and effect and not modified in any way or by any means unacceptable to Pacific or Districts, or any of Districts, has the effect of modifying that certain decree dated December 14, 1924, in Civil Action No. 2360 in the Superior Court of the State of California in and for the County of Sutter to permit the full performance of this Agreement.

10. Prior Agreements

During the term of this Agreement the "Agreement Concerning the Operation of Antelope Valley Unit" dated January 21, 1964, between the State and the Districts shall not be effective insofar as it restricts the operation of the Antelope Valley Unit by the State.

To the extent that provisions in the agreement between the State and the Districts dated July 6, 1964, are necessarily inconsistent with this Agreement, they shall be superseded by this Agreement. However, State shall not be relieved of obligations under said July 6, 1964, agreement not necessarily inconsistent, including, without limiting the generality of the foregoing, its obligation to design, construct, maintain and operate the facilities therein referred to and any necessary fish screens and facilities in conjunction with the construction and use of the structures provided for under paragraph 1 of said agreement and to petition to include the real property referred to in paragraph 10 of said agreement in the Districts and to support the efforts of Districts to accomplish such inclusions.

11. Water Right Controversies

(a) Districts do not surrender, modify or terminate any of their rights to divert water or change the priority of

their rights, except for the change in point of diversion agreed to in their said July 6, 1964, agreement with the State and except as to the dismissal of certain applications for the storage and diversion of water on the Middle Fork of the Feather River and for generation of electricity. Districts will protect and defend their rights to divert water from the Feather River, including the protesting of applications to appropriate water that are adverse to the rights of Districts, the prosecution of such protests before the State Water Resources Control Board and other administrative agencies, and the defense of such water rights in courts:

Provided, That the failure of Districts to protest an application or otherwise defend their water rights shall not be a default under this Agreement, unless Districts fail to protest an application or otherwise defend their water rights after having been specifically requested to do so by the State, as to the specific application or court proceeding, in time for protests or defenses to be made.

(b) Water diverted by Districts under this Agreement shall be deemed diverted under Districts' water rights.

(c) All parties agree to join in resisting any attack upon this Agreement or any of its provisions by judicial, administrative, or any other bodies. If this Agreement or any part thereof is decreed unenforceable or directly or indirectly modified in any respect other than by mutual agreement, the party whose interests are adversely affected shall have the option of terminating this Agreement, in which event all rights and privileges prevailing prior to the execution of this Agreement, the agreement between Districts and Pacific referred to in Article 9 hereof,

and the agreement between State and Pacific, a copy of which is attached as Exhibit C, shall be restored, and State shall operate the Afterbay Diversion Structures to supply the yield of the rights of Districts to the same extent as if Lake Oroville were not in existence and this Agreement and the agreements between State and Pacific had not been entered into.

Nothing in this Agreement shall be construed as an admission or consent by Districts that this Agreement or any part thereof is unenforceable or may be modified either directly or indirectly by judicial, administrative, legislative or other action except by mutual agreement of the parties.

12. Inspection of Records

The proper officers or agents of either party shall have full and free access at all reasonable times to the official records of the other party insofar as the same pertain to the matters and things provided for in this Agreement with the right at any time during office hours to make copies of such records.

13. Successors and Assigns Bound

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties to it.

14. Waivers

Any waiver at any time by any party to this Agreement of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

15. Notices

Except as otherwise herein expressly provided, all notices that are required either expressly or by implication to be given by one party to the other under this Agreement shall be signed for the State by its contracting officer, and for the Districts by their Joint Manager; shall be deemed to have been given at the time of delivery if delivered personally or twenty-four (24) hours after deposit in the mail if enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery with postage prepaid; and unless and until formally notified otherwise shall be addressed to the State and the Districts at their addresses as shown on the signature page of this Agreement.

16. Opinions and Determinations

Where this Agreement calls for determinations, forecasts, or decisions to be made by the Department of Water Resources, or the State, they shall not be made capriciously, arbitrarily or unreasonably and Districts reserve the right to relief from and appropriate adjustment for any such arbitrary, capricious or unreasonable determination, forecast or decision.

IN WITNESS WHEREOF, this Agreement has been executed
by the parties hereto as of the date first above written.

Approved as to legal form and
sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

For

By D. I. [Signature]
Chief Counsel
Department of Water Resources

By W. B. [Signature]
Director
P. O. Box 388
Sacramento, California

RICHVALE IRRIGATION DISTRICT

BUTTE WATER DISTRICT

By Glen P. Harris
President

By Walter G. Little
President

By Lloyd E. Horn
Secretary

By Faust [Signature]
Secretary

BIGGS-WEST GRIDLEY WATER
DISTRICT

SUTTER EXTENSION WATER DISTRICT

By James E. [Signature]
President

By Albert [Signature]
President

By W. C. Jensen
Secretary

By Davis L. [Signature]
Secretary

Address of Districts:

Joint Water Districts
P. O. Box 425
Gridley, California 95948

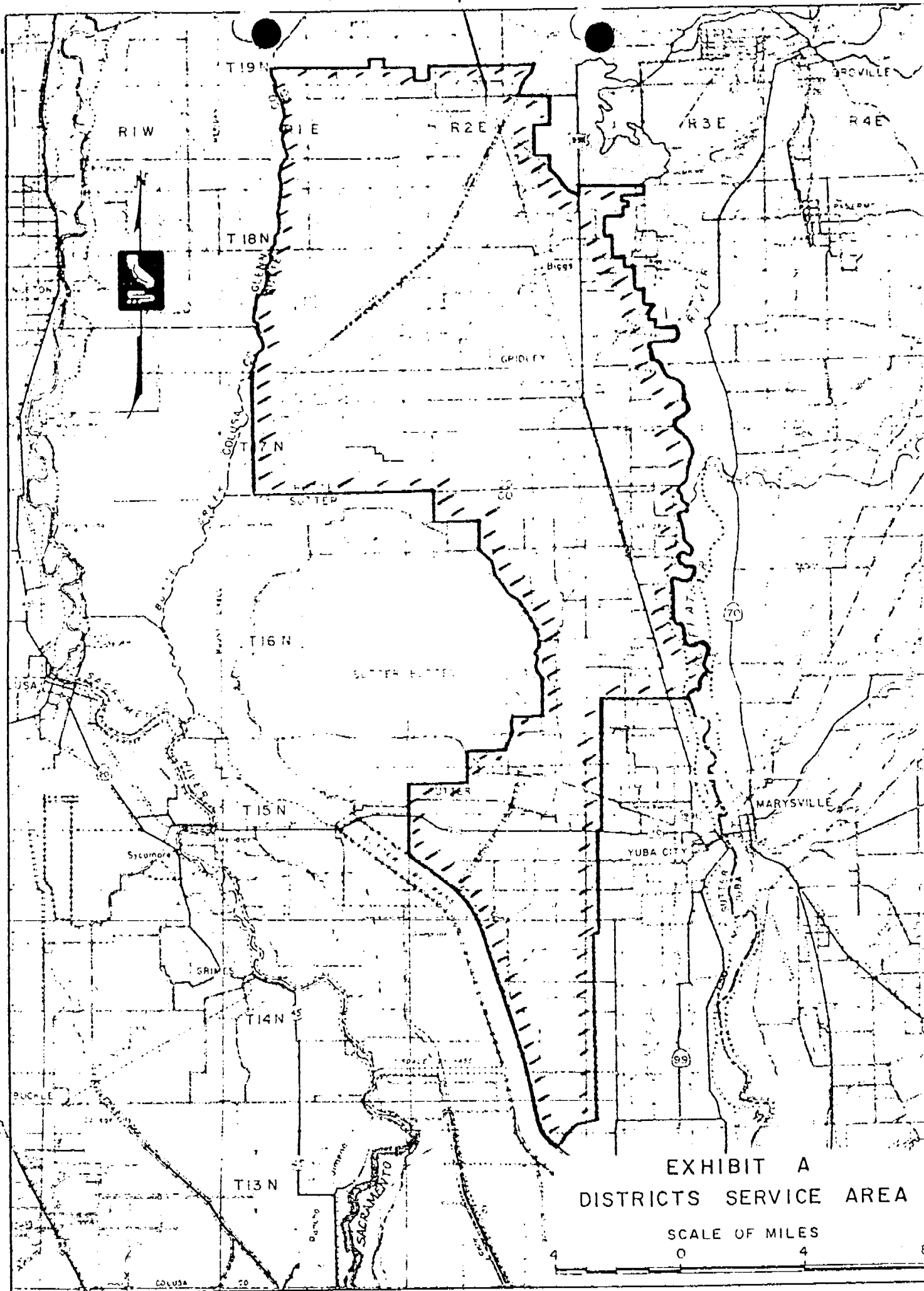


EXHIBIT A
DISTRICTS SERVICE AREA

SCALE OF MILES



EXHIBIT B
Limitations on Diversions of Article 2a Water

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
% of Reduction	During Irrigation Season in Years Prior to 1981	During Irrigation Season after the Year 1980	During Limitation Period	Limitation Period
0	560,000	555,000	200,000	Apr 1 to May 31
1	560,000	555,000	197,200	
2	560,000	555,000	194,400	
3	560,000	555,000	191,600	
4	560,000	555,000	188,800	
5	560,000	555,000	186,000	
6	560,000	555,000	184,300	
7	556,150	551,500	182,600	
8	550,600	546,000	180,900	
9	545,050	540,500	179,200	
10	539,500	535,000	177,500	
11	533,950	529,500	175,800	
12	528,400	524,000	174,100	
13	522,850	518,500	172,400	
14	517,300	513,000	170,700	
15	511,750	507,500	169,000	
16	506,200	502,000	167,300	
17	500,650	496,500	165,600	
18	495,100	491,000	163,900	
19	489,550	485,500	162,200	
20	484,000	480,000	160,500	
21	478,450	474,500	158,800	
22	472,900	469,000	157,100	
23	467,350	463,500	155,400	
24	461,800	458,000	153,700	
25	456,250	452,500	152,000	Apr 1 to May 31
26	450,700	447,000	150,320	Mar 1 to May 31
27	445,150	441,500	148,640	
28	439,600	436,000	146,960	
29	434,050	430,500	145,280	
30	428,500	425,000	143,600	
31	422,950	419,500	141,920	
32	417,400	414,000	140,240	
33	411,850	408,500	138,560	
34	406,300	403,000	136,880	
35	400,750	397,500	135,200	
36	395,200	392,000	133,520	
37	389,650	386,500	131,840	
38	384,100	381,000	130,160	
39	378,550	375,500	128,480	
40	373,000	370,000	126,800	
41	367,450	364,500	125,120	Mar 1 to May 31

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
% of Reduction	During Irrigation Season in Years Prior to 1981	During Irrigation Season after the Year 1980	During Limitation Period	Limitation Period
42	361,900	359,000	123,440	Mar 1 to May 3
43	356,350	353,500	121,760	↑
44	350,800	348,000	120,080	↑
45	345,250	342,500	118,400	↑
46	339,700	337,000	116,720	↑
47	334,150	331,500	115,040	↑
48	328,600	326,000	113,360	↑
49	323,050	320,500	111,680	↑
50	317,500	315,000	110,000	Mar 1 to May 3