

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
CENTRAL VALLEY PROJECT, CALIFORNIA

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OPERATING CONTRACT RELATING TO FOLSOM AND NIMBUS DAMS AND THEIR RELATED WORKS AND TO DIVERSIONS OF WATER BY THE CITY OF SACRAMENTO

1. THIS CONTRACT, made this 28th day of June, 1957, in pursuance generally of the Act of Congress approved June 17, 1902 (32 Stat. 388), and all acts of Congress amendatory thereof or supplementary thereto, particularly Section 14 of the Reclamation Project Act of 1939 (53 Stat. 1187, 1197-1198), and the Act of Congress approved October 14, 1949 (Ch. 690, 63 Stat. 852), all of which are commonly known and referred to as the Federal Reclamation Laws, between THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", represented by its officer who executes this contract, his duly appointed successor, or his duly authorized representative, herein styled the "Contracting Officer", and THE CITY OF SACRAMENTO, CALIFORNIA, a municipal corporation, herein styled the "City", acting by and in pursuance of the authority contained in the Constitution and laws of the State of California and particularly Article XI, Sections 8 and 19 of said Constitution, and Sections 2 and 5 of the City's Charter approved by Stats. 1921, p. 1919, as amended.

W I T N E S S E T H:

2. WHEREAS, the United States has constructed a dam and reservoir in and across the American River at a point upstream from Folsom, Sacramento County, California, and will utilize said dam and

RESERVOIR AND THEIR RELATED WORKS FOR THE DIVERSION AND STORAGE OF  
waters of the American River for reasonable and beneficial uses and  
purposes, said dam being known as Folsom Dam and the reservoir  
created thereby being known as Folsom Lake; and

3. WHEREAS, in carrying out the provisions of said Federal  
Reclamation Laws the United States deems it advantageous upon the  
terms herein agreed upon to dispose of rights to stored water  
in its reservoirs heretofore constructed or that might be construc-  
ted by the United States under the provisions of the Reclamation Act,  
and

4. WHEREAS, the City has constructed and is operating  
certain diversion and distribution facilities for the diversion of  
water of the Sacramento River and has perfected certain rights to  
the use of water of the Sacramento River and its tributaries from  
natural flow and is in the process of perfecting additional rights  
to the use of water of the Sacramento and American Rivers, and the  
water it has historically diverted is deemed insufficient for the  
anticipated growth and water requirements of the City, and

5. WHEREAS, the City is desirous of perfecting its water  
supply by arranging with the United States for the use of a portion  
of the said storage waters, and

6. WHEREAS, the City desires and intends to construct  
water diversion and filtration facilities and related works on the  
American River below Nimbus Dam within or adjacent to the City for  
diversion and distribution of water supplies for a municipal use and  
desires to continue and develop the use of the waters of the Sacra-  
mento River through its existing facilities at a point one-quarter

mile below the confluence of the Sacramento and American Rivers, and through other facilities which may be constructed on the Sacramento River within or adjacent to the City, for diversion, filtration and distribution of water, and

7. WHEREAS, the United States and the City have filed applications for the appropriation of unappropriated water and have protested certain applications of each other for the appropriation of unappropriated water, and it is the desire of the parties to settle and adjust any and all differences that might exist between them so that definite assurances can be had as nearly as practicable for the continued enjoyment and use of their respective diversion facilities and operations and to provide amicable means for the necessary increase and expansion of the City's beneficial uses of water, and

8. WHEREAS, the construction and operation of Folsom Dam and its related works and the distribution and regulation of the water of the American River and its tributaries as provided for under this contract are deemed to be mutually beneficial and desirable:

NOW, THEREFORE, in consideration of the premises herein contained, it is hereby agreed by and between the parties hereto as follows:

9. On March 19, 1957, the United States and the Sacramento Municipal Utility District, a municipal corporation, executed a contract entitled "Contract Relating to Sacramento Municipal Utility District Upper American River Project Reservoirs", a copy of which is attached hereto and hereinafter referred to as the SMUD contract.

The following paragraph of this Article is a diversion schedule prepared to show the schedule of diversions by the City of

Sacramento with and without the development by SMUD, referred to in the SMUD contract. The quantities are expressed in thousands of acre feet for the respective years. The requirements shown in Schedule A of the tabulation are derived from information given in City of Sacramento Exhibit No. 4, Table 3, of the records, files and proceedings of the California State Water Rights Board concerning application 12140, and others, before that Board for the appropriation of unappropriated water. The quantities shown in Schedule B of the tabulation are 75% of the annual requirements given in Schedule A of the tabulation.

Diversion schedule by City of Sacramento  
with and without SMUD development,  
in 1,000 acre-feet

Year	Requirement Schedule "A"	Requirement from American River Schedule "B"	Required from Folsom Reservoir	
			Without SMUD development Schedule "C"	With SMUD development Schedule "D"
963	64.0	48.0	8.0	8.0
64	66.0	49.5	8.5	8.5
965	68.0	51.0	9.0	9.0
66	70.5	53.0	9.4	9.4
67	73.0	55.0	9.8	9.8
68	75.5	56.5	10.0	10.0
69	78.0	58.5	10.5	10.5
970	80.7	60.5	11.0	11.0
71	83.0	62.5	11.5	11.5
72	86.0	64.5	12.0	12.0
73	88.5	66.5	12.5	12.5
74	91.5	68.5	13.0	13.0
975	94.5	71.0	13.5	13.5
76	97.5	73.0	14.0	14.0
77	100.5	75.5	15.0	14.5
78	103.5	77.5	16.0	15.0
79	106.5	80.0	17.5	15.5
980	110.0	82.5	19.0	16.0
81	113.0	85.0	21.0	16.5
82	116.0	87.0	23.0	17.0
83	119.5	89.5	25.0	17.5
84	123.0	92.0	27.5	18.0
985	126.0	94.5	30.0	18.5

Year	Total require- ment	Requirement	Required from Federal Reservoir	
		From American River	Without SMUD development	With SMUD development
	Schedule "A"	Schedule "B"	Schedule "C"	Schedule "D"
1986	129.5	97.0	32.0	19.5
87	133.0	99.5	35.0	20.0
88	135.5	102.0	37.5	20.5
89	140.0	105.0	40.0	21.0
1990	143.5	107.5	43.0	22.0
91	147.5	110.5	46.0	22.5
92	151.0	113.0	49.0	23.5
93	154.5	116.0	52.0	24.0
94	158.5	119.0	55.0	24.5
1995	162.5	122.0	58.0	25.5
96	166.5	125.0	61.0	26.0
97	171.0	128.0	64.5	27.0
98	175.0	131.0	67.5	28.0
99	179.0	134.0	71.0	29.0
2000	183.5	137.5	74.5	30.0
01	187.5	140.5	78.0	31.0
02	192.0	144.0	81.0	32.0
03	196.0	147.0	85.0	33.0
04	200.5	150.5	88.0	34.5
2005	205.0	154.0	91.5	36.0
06	209.5	157.0	95.0	37.5
07	214.0	160.5	98.5	39.0
08	218.5	164.0	102.0	40.5
09	223.0	167.5	105.5	42.5
2010	227.5	170.5	109.0	44.0
11	232.5	174.5	113.0	46.5
12	237.0	178.0	116.0	48.5
13	242.0	181.5	120.0	50.5
14	247.5	185.5	124.0	53.0
2015	252.0	189.0	127.5	55.5
16	257.5	193.0	131.0	58.0
17	262.5	197.0	135.0	60.0
18	268.0	201.0	138.5	62.5
19	273.0	205.0	142.5	64.5
20	278.0	208.5	146.5	67.0
21	283.0	212.5	150.5	69.5
22	288.5	216.5	154.5	71.5
23	293.5	220.0	158.5	74.0
24	298.5	224.0	162.5	76.0
2025	304.0	228.0	166.5	78.5
26	308.5	231.5	171.0	81.0
27	313.5	235.0	175.0	83.0
28	318.0	238.5	179.0	85.5
29	322.5	242.0	183.5	88.0
30 and subsequent years	326.8	245.0	187.5	90.0

The United States will make available for diversion by the City water from the American River up to the quantities specified in Schedule B, and the United States will so operate Shasta Dam and its related works so as not to interfere with the diversions by the City at its facilities on the Sacramento River referred to in Article No. 6 above or to prevent the City from enjoying the additional diversions represented by the difference between Schedules A and B.

The United States will impound and store water in the reservoirs back of Folsom and Nimbus Dams or elsewhere and does hereby agree to discharge and release into the river channel below Nimbus Dam for the use of the City an amount of water which will, with all of the water that the City is otherwise entitled to and all water not otherwise appropriated, aggregate a quantity of water as shown in Schedule B and will so operate Folsom and Nimbus Dams and their related works that water will be discharged and released into the river channel below Nimbus Dam for later downstream diversion by the City at its said American River diversion and filtration facilities at the times and in the quantities shown in Schedule B.

10. The City's rate of diversion from the Sacramento River shall not exceed 225 cubic feet of water per second and its rate of diversion from the American River shall not exceed 675 cubic feet of water per second; and the total quantity diverted by the City from the American River shall not exceed the quantities shown in Schedule B. Following April 1 of any water year in which the October 1 - Sept. 30 estimated natural inflow to Folsom Reservoir measured and as predicted by the United States based, in part, upon the runoff estimates of the California Cooperative Snow Survey Program on April 1 is less than

1,275,000 acre-feet, City's diversions from the American River each month when requested by the Contracting Officer shall not exceed 75% of the aggregate taking from both the Sacramento and American Rivers until Folsom Reservoir would fill or reach flood-control limitation in the absence of additional storage facilities on the American River

11. The City shall be entitled to reasonable flexibility in demands based on maximum daily requirements and maximum peaks during such days. The City will cooperate with the Contracting Officer to facilitate United States operations to make this possible.

12. City shall pay, at the rate of \$9.00 per acre foot, beginning in 1963, for the number of acre feet shown in Schedule C: Provided, however, that if the Sacramento Municipal Utility District builds its Upper American River Project and operates that project in accordance with the SMUD contract the City shall pay, at the rate of \$9.00 per acre foot, beginning in 1963, for the number of acre feet shown in Schedule D.

The City shall make payments to the United States each calendar year as hereinafter provided, at rates fixed as provided in this Article. The City shall pay one-half of the amount payable for the year on or before January 1, and shall pay the remainder of the amount payable for the year on July 1.

Upon every installment of money required to be paid by the City to the United States pursuant to this contract which shall remain unpaid after the same shall have become due and payable, there shall be imposed a charge of one-half (1/2) of one (1) percent per month of the amount of such delinquent installment from and after the date when the same becomes due until paid; and the City hereby agrees

to pay said charge: Provided, That no such charge shall be made to or be paid by the City unless such delinquency continues for more than thirty (30) days.

Payment shall be made at the office of the Regional Director of the Bureau of Reclamation, Town and Country Village in Sacramento County, or at any other place designated by the United States in a written notice to the City.

13. The parties agree that in 1978 and again in 1988 the parties may renegotiate the terms of this contract as to quantities of water diverted and to be diverted by the City, so that the schedule of water diversions can be revised downward, and consequent payment for water shall be reduced proportionately thereafter in the ratio that the revised Schedule "B" bears to the original Schedule "B".

14. If prior to the year 2030, the City finds that because of accelerated growth its water requirements are greater than those indicated by Schedule A, the quantity of water to be furnished each year can be advanced in the schedule. In such case, the payment based upon Schedules C or D would be similarly advanced. This advancement of the schedule of diversions and of payments would not entitle the City to any water from the American River above the maximum of 245,000 acre feet annually as provided for in Schedule B above.

15. Should the City requirements exceed 245,000 acre feet annually from the American River it shall be the right of the City to secure the additional water it needs by means other than this contract. These other means may be, and are not restricted to, additional contracts with the United States if both the City and United States agree



such contracts, contracts with other parties, or the development by the City itself of additional water supplies, provided that the development of such supplies shall not involve the use of any facilities or water rights of the United States without its permission.

16. Should the Sacramento Municipal Utility District build and operate its project as provided in the SMUD contract during or after 1978 then payments being made by the City would change from Schedule C basis back to Schedule D basis when the SMUD project becomes so operational.

17. Should the Sacramento Municipal Utility District build and operate a project of lesser extent than that contemplated in the SMUD contract and which project might produce less water, and to the extent that SMUD releases are smaller, a new payment schedule shall be computed which will be intermediate between the basis of Schedules C and D and so computed to reflect payment for average computed demands on Folsom Reservoir.

18. The City will retain all its water rights and as between the United States and the City, the use of water by the City under the contract shall be treated by the United States as diligence of the City in perfecting by beneficial use the developing rights of the City in the Sacramento and American Rivers. Furthermore, by this contract the parties request the properly constituted agencies of the State of California to issue permits and licenses designated to sanction or permit the operations specified in this contract, but the parties agree that any necessary applications, permits and licenses, and right of way and all sources and derivations owned by them may and shall be exercised as required to the end that the operational matters specified in this contract may and shall be performed, and the parties will use