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F O U R T H A G R E E M E N T

Between

THE CITY AND COUNTY OF SAN FRANCISCO

and

THE TURLOCK IRRIGATION DISTRICT AND THE MODESTO IRRIGATION DISTRICT

JUNE, 1966

FOURTH AGREEMENT

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F O U R T H A G R E E M E N T

Between

THE CITY AND COUNTY OF SAN FRANCISCO

and

THE TURLOCK IRRIGATION DISTRICT AND THE MODESTO IRRIGATION DISTRICT

THIS AGREEMENT, made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Public Utilities Commission, hereinafter called "City," and the TURLOCK IRRIGATION DISTRICT and the MODESTO IRRIGATION DISTRICT, organized pursuant to the Irrigation District Law of the State of California, acting by and through their respective Boards of Directors, hereinafter called "Districts,"

WITNESSETH THAT:

1. WHEREAS, Districts and City own and operate certain water conservation facilities on the Tuolumne River for the purposes of domestic, municipal and industrial water supply, irrigation, flood control and the generation of electric power, and have operated said facilities effectively and harmoniously for many years; and

2. WHEREAS, in that certain agreement dated February 29, 1940, known as the "First Agreement," Districts and City did formally agree to continue to cooperate in a program of conservation of the waters of the Tuolumne River for their mutual benefit, and to recognize the provisions of the Act of Congress of December 19, 1913, known as the Raker Act (38 Stat. 242), as applying to Districts and City without waiving any of their rights; and,

3. WHEREAS, in that certain agreement dated November 22, 1943, known as the "Second Agreement," Districts and City did formally agree to continue the development of the Tuolumne River by cooperating in the building of the Cherry

River Project and New Don Pedro Project and all appurtenant projects involving the use of Tuolumne River water; and,

4. WHEREAS, in that certain agreement dated June 30, 1949, known as the "Third Agreement," Districts and City did formally agree that the Districts have existing prior rights to the waters of the Tuolumne River and its tributaries, and agreed to provide for the storage, management and control of the waters of the Tuolumne River and its tributaries in such a manner as to assure, insofar as feasible, the availability of sufficient water to meet the requirements of Districts and City; and that toward this end City would first construct the Cherry Valley Project, after which the New Don Pedro Project, to be owned by Districts, would be constructed as provided by supplemental agreement; and did further agree upon their respective flood control responsibilities under a proposed contract with the United States through its Corps of Engineers, U. S. Army; and

5. WHEREAS, the United States of America, pursuant to the Flood Control Act of December 22, 1944, has entered into a contract with Districts and City dated August 29, 1949, and certified by the Federal Government on September 26, 1949, as supplemented by Supplemental Agreement No. 1, dated June 4, 1956, hereinafter called "Federal Contract," under which, in consideration for certain financial contributions to be made by the Federal Government, Districts and City agreed to provide for Tuolumne River flood control by making certain modifications in their then existing facilities and operations and by constructing the Cherry Valley Reservoir and the New Don Pedro Reservoir with New Don Pedro to provide not less than 340,000 acre feet for flood control; and

6. WHEREAS, the Cherry Valley Reservoir has been successfully completed by the City; and

7. WHEREAS, the Legislature of the State of California has, pursuant to Chapter 282, Statutes of 1965, authorized a Davis-Grunsky Act grant of up to Seven Million Dollars (\$7,000,000) for recreational functions and enhancement of fish and wildlife in connection with the construction of the New Don Pedro Reservoir; the above amount to be further increased by an estimated amount of Five Hundred Thousand Dollars (\$500,000) for the provision of initial water supply and sanitary facilities under the provisions of said Davis-Grunsky Act; thereby making a grant of approximately Seven Million Five Hundred Thousand Dollars (\$7,500,000) available from the State of California; and

8. WHEREAS, studies indicate that further conservation of Tuolumne River flows to provide for the needs of the Districts and the City can be accomplished by building the New Don Pedro Reservoir to its maximum capacity of approximately 2,030,000 acre feet; and

9. WHEREAS, the electors of the Districts and of the City have authorized the issuance of bonds to secure the estimated funds necessary to construct the New Don Pedro Project; and

10. WHEREAS, following application by the Districts and a hearing, the Federal Power Commission has ordered the issuance of a license to the Districts for the New Don Pedro Project (Turlock Irrigation District and Modesto Irrigation District Project No. 2299, 31 FPC510, 1128 (1964)), containing certain conditions, including the filing of an agreement between Districts and City for Commission approval relating to the allocation of the total cost of the project and the acquisition of storage space in the reservoir, which proceedings have been affirmed by the United States Court of Appeals for the Ninth Circuit (California, et al. v. FPC 345 F2d 917 (1965)); and

11. WHEREAS, it is now necessary to set forth the respective responsibilities of the Districts and the City in the New Don Pedro Project;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

ARTICLE 1. SCOPE OF AGREEMENT

This agreement is intended to supplement and, to the extent of any inconsistency therewith, amend the provisions contained in the aforementioned First, Second and Third Agreements between Districts and City, to the end that the New Don Pedro Project, hereinafter called Project, may be constructed for the purpose of conserving water for the irrigation, domestic, municipal and industrial use requirements of the parties hereto; for flood control; for the generation of hydroelectric power; and for recreation, fish and wildlife. This Agreement shall continue in force until modified or canceled by mutual consent of the parties hereto.

ARTICLE 2. RIGHTS OF PARTIES

This Agreement does not, nor is it intended to, affect, alter, or impair in any manner the rights of the respective parties hereto in or to the waters or the use of waters of the Tuolumne River or its watershed acquired or existing under the laws of the State of California. Districts and City agree to recognize and abide by the provisions of the Raker Act as applying to Districts and City.

ARTICLE 3. THE BOARD OF REVIEW

Districts and City agree to cooperate fully to expedite the early completion of the Project, the planning and construction of which shall be under the general supervision and control of Districts. In order to keep the parties hereto fully advised regarding design progress and construction a Board of Review is hereby created. The Board shall be composed of three persons, one to be appointed by each of the parties hereto. The Board shall establish its own operating procedures. At least once each month the Board shall meet with Districts' project representatives and review progress and scheduling of the construction work, the expenditure and availability of funds, proposed contract modifications, and the matters falling within paragraphs I A, I D, and II of Appendix A of this Agreement. The Board shall arrange to have minutes kept for each of its meetings, and shall report the results of each of such meetings to the parties. The Board shall also

The Districts shall have no liability for damages and shall be relieved of any obligations under this Agreement, if such damage is caused, or the performance of such obligations is prevented, by war, strikes, inability to obtain required materials, acts of God, or other causes beyond their control.

ARTICLE 5. RESERVOIR STORAGE CAPACITY

The New Don Pedro Reservoir shall be constructed to a capacity of approximately 2,030,000 acre feet; which capacity shall include 1,120,000 acre feet of Districts' storage, of which 309,000 acre feet is below minimum power pool; 570,000 acre feet storage space for use by City; and 340,000 acre feet for flood control storage space. Such portion of the 340,000 acre feet flood control storage space as is not reserved for flood control at any time shall be available 50% to Districts and 50% to City for conservation storage, thereby entitling City to a maximum of 740,000 acre feet of storage space, hereinafter called "exchange storage space."

ARTICLE 6. FLOOD CONTROL OPERATIONS

(a) Until the Project is constructed and in operation, both Districts and City agree to operate their existing reservoirs for purposes of flood control, in addition to conservation, in accordance with the provisions of the Federal Contract. City shall have the right to intercept and store water due Districts under the Raker Act and shall endeavor to maintain, insofar as feasible, sufficient storage in its reservoirs to protect Districts from loss of both irrigation and power water by reason of Districts' flood control operations. Upon demand of Districts, City agrees to release from City's reservoirs, through its powerhouses or otherwise, any or all water due Districts under the Raker Act: provided that all storage credits shall be terminated at such times as existing Don Pedro Reservoir spills or on October 31 of each year, at which time City shall own all water stored in its reservoirs.

(b) Upon completion of the New Don Pedro Reservoir, all obligations of the City and the Districts to operate any of their other reservoirs for flood control shall be terminated, and the entire flood control operation shall be transferred to the New Don Pedro Reservoir.

(c) Districts shall operate New Don Pedro Reservoir for flood control in accordance with the requirements of the Federal Contract and the applicable and valid regulations and orders of the Corps of Engineers of the United States Army. The maximum amount of space in the reservoir to be reserved for such flood control purposes is 340,000 acre feet.

ARTICLE 7. WATER ACCOUNTING

It is agreed that a principal benefit to be derived by City in return for its payment of a substantial part of the cost of the project shall be the right of City to release water to Districts when it can be stored in New Don Pedro Reservoir in advance of the time when a release thereof is required under the Raker Act and the right of City subsequently to intercept or divert equivalent quantities of water which would otherwise be required to be released to Districts, the City's advance releases being stored by Districts in New Don Pedro Reservoir and withdrawn therefrom by Districts for use in place of natural flow subsequently intercepted by City. The following provisions shall take effect upon the completion of New Don Pedro Reservoir and shall continue in effect thereafter throughout the term of this Agreement:

(a) A "Water Bank Account" shall be established and maintained by the parties in a manner to be approved by them from time to time. The Water Bank Account shall contain a detailed record of all advance releases credited to City and all debits charged to City as hereinafter provided, together with the net balance, if any, remaining to the credit of the City at all times. The Water Bank Account shall be maintained on a daily basis or such other basis as the parties may agree upon from time to time.

(b) Whenever the inflow to the New Don Pedro Reservoir from all sources exceeds whichever of the following is the smaller:

(1) The computed daily natural flow of the Tuolumne River at LaGrange Dam (as defined in the Raker Act), or

(2) The entitlement of the Districts under the Raker Act plus sixty-six (66) cubic feet per second,

then the excess shall be deemed to be natural flow of the Tuolumne River released by City to Districts in advance of the time when the release thereof is required under the Raker Act, and such excess shall be credited to City as "advance releases" and shall be treated as hereinafter provided.

(c) Whenever and to the extent that City has a credit balance in its Water Bank Account City may intercept and divert waters of the Tuolumne River above New Don Pedro Reservoir in quantities which will reduce the inflow into New Don Pedro Reservoir to less than the smaller of the two quantities hereinabove defined in paragraph (b) hereof, and the amount by which such inflow is so reduced below the smaller of said two quantities shall be charged to City in its Water Bank Account.

(d) The losses of water in storage in New Don Pedro Reservoir through evaporation and seepage shall be computed on a daily basis, and on each day when the City has a net credit balance in its Water Bank Account there shall be deducted from such balance that proportion of the day's evaporation and seepage losses which is equal to the proportion that the City's net credit balance in the Water Bank Account at the beginning of the day bears to the total volume of water then in storage in New Don Pedro Reservoir.

(e) Except with the prior consent of Districts, City shall never be entitled to have a debit balance in its Water Bank Account. With the Districts' prior approval City may create debit balances in its Water Bank Account on a temporary basis for the purpose of securing water which is necessary to maintain City's operations, but such debit balances shall be restored by City through advance releases as soon as practicable, and City shall compensate Districts in a manner to be mutually agreed upon for any damages or losses which may be suffered or incurred by Districts as a result of such action by City.

(f) The net credit balance of the City in its Water Bank Account shall never be permitted to exceed at any one time 570,000 acre feet plus one-half of the permitted encroachment in the flood control space. Whenever the City's net credit in its Water Bank Account shall equal or exceed the above, then, and so long as that condition continues, there shall be no credit to the City for advance releases pursuant to paragraph (b) hereof.

(g) Districts shall own and have exclusive control and use of all water released by City to Districts in advance pursuant to paragraph (b) hereof, may store such water in and withdraw such water from New Don Pedro Reservoir at such times and in such amounts as Districts shall see fit from time to time.

(h) For the purposes of computation, the daily natural flow of the Tuolumne River shall be deemed to be that flow which would have occurred at LaGrange Dam had no facilities of City and Districts been constructed on the Tuolumne River watershed.

(i) All computations, schedules, records and formulae used in measuring advance releases and establishing the net balance in the City's Water Bank Account from time to time shall be subject to examination and review by

authorized representatives of the parties hereto at all reasonable times. Monthly reports shall be made to the parties showing the results of all such computations and the status of the Water Bank Account on a daily basis. The correctness of each such monthly report shall be deemed to be conclusively established as between the parties in the absence of objection by any party within ninety (90) days after the delivery of such report. In the event of any objection within said period the parties shall endeavor to resolve the objection by mutual agreement, but if they are unable to do so within a reasonable time then upon request of any party the matter shall be referred to a panel of three qualified arbitrators, one appointed by City, one by Districts, and the third by the two so chosen, and the decision of a majority of the arbitrators shall be final and binding upon all parties.

ARTICLE 8. WATER RELEASES; APPORTIONMENTS.

The Districts and City recognize that Districts, as licensees under the Federal Power Commission license for the New Don Pedro Project, have certain responsibilities regarding the water release conditions contained in said license, and that such responsibilities may be changed pursuant to further proceedings before the Federal Power Commission. As to these responsibilities, as they exist under the terms of the proposed license or as they may be changed pursuant to further proceedings before the Federal Power Commission, Districts and City agree:

(a) That any burdens or changes in conditions imposed on account of benefits accruing to City shall be borne by City.

(b) That at any time Districts demonstrate that their water entitlements, as they are presently recognized by the parties, are being adversely affected by making water releases that are made to comply with Federal Power Commission license requirements, and that the Federal Power Commission has not relieved

them of such burdens, City and Districts agree that there will be a re-allocation of storage credits so as to apportion such burdens on the following basis: 51.7121% to City and 48.2879% to Districts.

In the event City and Districts cannot agree that there has been such an adverse effect and the extent thereof, these issues shall be determined by arbitration as provided in Article 7 (1) above.

(c) That in the event of such adverse effects on Districts' water entitlements, and the consequent necessity for distribution of burden therefor as provided in the foregoing subparagraph b, Districts shall forthwith seek modification by the Federal Power Commission of the water release conditions of said license.

ARTICLE 9. DETERMINATION OF COSTS AND COST ACCOUNTING

(a) Estimated Costs. Estimated Project costs made in March 1966 form the basis for the allocations of costs to the parties as made herein. The parties, however, recognize and agree that the costs to be defrayed in accordance with the allocations made shall be the actual costs of construction of the Project.

(b) Actual Costs. Actual costs of construction shall be those expenditures required in order to build the Project. In addition to the actual costs of all physical facilities, including lands, together with any relocations or replacements of facilities which Project construction may require, actual costs shall include but not be restricted to, the costs of administration, preliminary investigation, engineering, legal services and construction management.

(c) Accounting and Procedures. The Districts shall set up an accounting procedure for the Project satisfactory to the City, which shall be in accordance with the uniform system of accounts of the Federal Power Commission. Prior to awarding of any contracts for construction of the New Don Pedro Project the Districts shall select a bank or banks in which to establish accounts for all funds received and paid out in connection with the Project. Such funds shall be kept in bank accounts

separated from all other funds of the Districts. Funds covering the cost of the Project shall be deposited in these accounts by the Districts and City prior to awarding of contracts. Any interest accruing shall be credited to the City and Districts as their pro rata share of deposits earned. All payments for the Project shall be disbursed from these funds and any unused amounts at the completion of the Project shall be returned to the City and Districts as their credits indicate. The Districts shall render monthly statements to the City showing the distribution of all funds and the City's share of same. In addition, the Controller of the City shall have the right to make any investigation, inspection or audit which he may deem necessary. For the purpose of simplification, contracts awarded for construction work shall be itemized so far as practical, to separate items for City participation from items in which City does not participate.

(d) Reporting. Each party agrees that at any time, upon written request by any of the other parties, it will report the amount of funds it has available for disbursement under the terms of this Agreement. Districts agree that at any time upon written request they will furnish to City up-to-date Project cost estimates, certified statements as to Project costs actually incurred, and information as to their budgetary programs for the New Don Pedro Project.

ARTICLE 10. RESPONSIBILITIES AS TO PROJECT COSTS.

(a) Separable Costs. Of the total Project costs, Districts shall pay the costs of acquiring the site for the New Don Pedro Dam and all lands and interests in lands to be occupied by the New Don Pedro Reservoir. Districts shall also pay all costs of the Project facilities installed for the purpose of generating hydroelectric power and for operation and maintenance activity at the New Don Pedro Dam.

The costs of any modification to City's structures at Red Mountain Bar which may be necessary as a result of the construction of the New Don Pedro Project shall be borne by City. Estimates of these costs are set forth in Section I, Groups B, C and E of Appendix A incorporated herein by this reference. Each agency shall bear its own cost of interest charges during construction.

(b) Common Costs. All Project costs other than those set forth in Article 10a above shall be considered "Common Costs" to be shared by Districts and City as agreed upon herein. For purposes of cost sharing determination, common costs shall be in three general categories as follows:

(1) Construction Costs Allocated by Third Agreement - which shall include costs of: construction of a dam and appurtenances to impound a reservoir, including site clearing, of approximately 2,030,000 acre feet of capacity; including all access roads.

(2) Construction and Related Costs of Additions to Project Not Anticipated at Time of Third Agreement - which shall include costs of the relocation and reconnection, to include right of way acquisition, of all State and County highways and roads; the relocation, including right of way acquisition, or removal of any power and telephone lines or other facilities public or private; fishery studies; utilizing or acquiring, or gaining access to public lands; a recreational use plan together with facilities provided thereunder as approved by the Federal Power Commission; and any reconstruction which may be required by State or Federal authority at some future time.

(3) Other Costs - which shall include but not be restricted to costs of: preliminary engineering, legal and administrative activity; insurance, construction bonds; taxes; permits and inspections; accounting; public relations;

and administration, engineering, legal and management of construction. Estimates of common costs, insofar as these items have been identified or are available, are set forth in Sections IA, ID and II of Appendix A.

(c) Sharing of Common Costs. The sharing of Common Costs, as defined in Article 10b, shall be as follows with regard to both "construction" and "other" costs:

(1) Construction Costs Allocated by Third Agreement - shall be shared in the ratio of the estimated cost of constructing a 1,200,000 acre foot dam and reservoir to a 2,030,000 acre foot dam and reservoir, which on the basis of past studies and cost estimates yields percentages of 82.1582% for the City and 17.8418% for the Districts.

(2) Construction and Related Costs of Additions to Project Not Anticipated at Time of Third Agreement - shall be shared in the ratio of City's additional storage achieved to Districts' additional storage achieved after deductions for original Don Pedro Reservoir and minimum power pool, which yields percentages of 51.7121% for the City and 48.2879% for the Districts. Any continuing costs to the Project which might result from the Districts' deficit operation of recreational facilities required to be constructed under terms of the Federal Power Commission license will be shared by the City and Districts in the ratio established under this section.

(3) Other Costs - shall be shared in the ratio of the estimated cost of building the Project without hydroelectric power facilities to building it with such facilities, yielding percentages of 62.0201% for the City and 37.9799% for the Districts; except that items

applicable to separable costs listed in this article, section (a) above, shall be borne separately by the individual agencies.

(d) Sharing of Project Costs. The sharing of presently estimated Project costs under sections a, b, and c of this Article 10 is anticipated by the parties to be approximately as shown in Appendix A, incorporated herein by this reference.

ARTICLE 11. DISPOSITION OF CONTRIBUTED FUNDS

The Federal payments for the 340,000 acre-feet of flood control storage space in the New Don Pedro Reservoir, as provided for under Article 3b of the Federal Contract, shall be made to City. Any payments by the State or Federal Government for acquiring lands or interests in lands, or for the demolition, abandonment, relocation, or removal of buildings, and other structures, shall be made to Districts. Any payment by the State or Federal Government for recreation and fish and wildlife benefits shall be credited to the parties in the same percentages utilized for common construction costs under Article 10c2 hereof; provided, however, that the use of any money disbursed by the State of California to Districts pursuant to the portions of the Davis-Grunsky Act which provide for grants to public agencies shall be subject to the provisions of the grant contract to be executed between Districts and the State of California under that Act which regulates the use of the grant money. Any other Federal or State payments which may be made available for the New Don Pedro Project shall be allocated to Districts and City by supplemental agreement when and if they become available.

ARTICLE 12. LICENSE CONDITIONS

As a consequence of Districts' responsibilities as licensees for the New Don Pedro Project, as such responsibilities exist or may be changed pursuant to any further proceedings, City and Districts agree:

(a) To share as provided in Article 10c2 in the costs of such studies relating to the fishery of the Tuolumne River as may be required; in any

proceedings resulting therefrom; and in the costs of any facilities or program instituted as a consequence of such fishery studies or proceedings.

(b) To share as provided in Article 10c 1, 10c2, or 10c3, as appropriate, other costs arising out of Districts' responsibilities as licensees of the New Don Pedro Project.

ARTICLE 13. BONDS AND INSURANCE

Districts agree that City will be named as an additional obligee, as its interests may appear, on all labor, material, and performance bonds obtained in construction of the subject Project, as an additional insured on liability policies in force during and after construction and as an additional insured as its interests may appear on any casualty policy covering the New Don Pedro Dam and its appurtenances.

ARTICLE 14. PROJECT DESIGN ENGINEERING

As soon as practicable, following the execution of this Agreement, the Districts shall direct Bechtel Corporation to proceed with project design engineering, and preparation of plans and specifications for (a) a single construction contract with unit prices, and (b) separate supply contracts for turbines and valves, generators and busses, transformers and circuit breakers, gantry crane and gate hoist, gates and penstock and liner, and allied work necessary for the calling for bids for the construction of the New Don Pedro Project. The estimated cost of this work by Bechtel Corporation is \$500,000.00. The City shall pay to the Districts, 82.1582% of the cost of the work contemplated by this paragraph relating to the construction of those items specified in Paragraph I A, of Appendix hereto. Such payment shall be made on demand of the Districts. The Districts shall pay 100% of the cost of the work contemplated by this paragraph relating to those items specified in Paragraph I B of said Appendix.

ARTICLE 15. CONSTRUCTION CONTRACTS, BIDS

Upon completion of the work contemplated by Article 14 hereof,

the Districts shall call for bids for the construction under a single construction contract with unit prices and separate supply contracts for the New Don Pedro Project.

ARTICLE 16. STATE HIGHWAY RELOCATION

The Districts shall enter into an agreement with the State of California, acting through the Division of Highways of the Department of Public Works, calling for a portion of the engineering and design work necessary for the State to proceed with the State highway relocations at a cost not to exceed \$160,000.00 for the first year. The City shall pay 51.7121% of the cost thereof to the Districts at the time required by the Districts pursuant to said agreement.

ARTICLE 17. COUNTY HIGHWAY RELOCATION

The Districts shall take whatever action they may deem desirable in order to more accurately estimate the cost of relocating county highways. Provided the Districts have the prior written approval of the City for any expenditures in this regard, the City agrees to reimburse the Districts on demand 51.7121% of such expenditures.

ARTICLE 18. RECREATION PLAN

The Districts shall proceed with reasonable diligence to prepare the recreation plan required by the Federal Power Commission License and to prepare a feasibility report in support of an application for construction and facilities grants under the provisions of the Davis-Grunsky Act and to make an application for such grants. The City shall reimburse the Districts upon demand for the cost of such plan, feasibility report and application to the extent of 51.7121%, provided the cost thereof does not exceed \$100,000.00.

ARTICLE 19. EVALUATION OF BIDS

Upon the receipt of bids for the construction of the New Don Pedro Project, each party shall make an estimate of the cost of the Project to it in accordance with the allocation of costs as provided herein.

In the event that (a) the estimated costs of the New Don Pedro Project to the Turlock Irrigation District, based on all factors known at that time, exceeds \$28,216,904.00, the Turlock Irrigation District, at its option, may declare that the cost of the project exceeds the benefits; (b) the estimated costs of the New Don Pedro Project to the Modesto Irrigation District, based on all factors known at that time, exceeds \$15,881,658.00, the Modesto Irrigation District, at its option, may declare that the cost of the project exceeds the benefits; (c) the estimated costs of the New Don Pedro Project to the City, based on all factors known at that time, exceeds \$48,423,538.00, the City, at its option, may declare that the cost of the project exceeds the benefits; and upon any such declaration the parties hereto agree that no party shall be bound by this agreement except as to the provisions of Articles 14 to 19 inclusive.

ARTICLE 20. RESERVATIONS

Except with respect to Articles 14 to 19 inclusive, this Agreement is subject to (a) the approval of the Federal Power Commission, (b) the approval of the California District Securities Commission, and (c) the Districts' ability with reasonable efforts to make satisfactory arrangements for necessary county highway abandonment and relocation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized this 23rd day of May, 1966.

TURLOCK IRRIGATION DISTRICT

A.M. Council
President
R.S. Jilmer
Secretary

MODESTO IRRIGATION DISTRICT

J.W. Smith
President
J.S. [unclear]
Secretary

APPROVED AS TO FORM:

A.M. Meikle
Chief Engineer
James [unclear]
Attorney

APPROVED AS TO FORM:

Clifford E. Plummer
Chief Engineer
James [unclear]
Attorney

CITY AND COUNTY OF SAN FRANCISCO

APPROVED AS TO FORM:

THOMAS M. O'CONNOR, City Attorney
By William F. Danene
Public Utilities Counsel

James K. Carr
General Manager
of Public Utilities

APPROVED W. Jilmer
ACTING Accounts Bureau Director

Authorized by Resolution No. 359 66
of the Board of Supervisors of the
City and County of San Francisco

Authorized by Resolution No. 66-0378
of the Public Utilities Commission
of the City and County of
San Francisco

Attest James [unclear]
Secretary and Assistant
General Manager, Administrative,
Public Utilities

NEW DON PEDRO ESTIMATE

APPENDIX A
DISTRIBUTION OF COSTS

I. PER THIRD AGREEMENT	TOTAL COSTS	DISTRIBUTION OF COSTS		
		CITY	MODESTO	TURLOCK
<u>A. Construction Items Allocated by Third Agreement</u>				
1. Reservoir-----	\$ 1,420,000			
2. Dam-----	32,639,000			
3. Dikes-----	401,000			
4. Controlled Spillway-----	1,540,000			
5. Emergency Spillway-----	840,000			
6. Spillway Discharge Channel-----	117,000			
7. Structure Power and Lighting-----	162,000			
8. Diversions-Outlet Tunnel & Appurtenances---	6,000,000			
9. Access Roads-----	780,000			
10. Visitors and Dam Headquarters-----	250,000			
11. Direct Costs for City and Districts-----	44,149,000			
12. Omissions and Contingencies-----	4,690,000			
13. Escalations-----	4,720,000			
14. Total-----	\$ 53,559,000	\$ 44,003,110	\$ 3,013,926	\$ 6,541,964
<u>B. Construction Items for Districts Only - Power Facilities</u>				
15. Power Plant Structures and Improvements----	\$ 2,100,000			
16. Power Tunnel, Penstock and Appurtenances--	5,170,000			
17. Tailrace-----	41,000			
18. Turbines and Generators-----	4,549,000			
19. Accessory Electrical Equipment-----	1,133,000			
20. Miscellaneous Power Plant Equipment-----	616,000			
21. Switchyard Structures-----	160,000			
22. Switchyard Equipment-----	1,416,000			
23. Communications-----	80,000			
24. Direct Costs for Districts Only-----	15,265,000			
25. Omissions and Contingencies-----	1,270,000			
26. Escalation-----	1,560,000			
27. Total-----	\$ 18,095,000		\$ 5,707,163	\$12,387,837

NEW DON PEDRO ESTIMATE (Cont'd.)		DISTRIBUTION OF COSTS			
		TOTAL COSTS	CITY	MODESTO	TURLOCK
C. Construction Items for City Only					
28.	Modification of Red Mountain Bar Siphon---	\$ 1,000,000			
29.	Omissions and Contingencies-----	100,000			
30.	Escalation-----	50,000			
31.	Total-----	1,150,000	\$ 1,150,000		
32.	Total Construction Cost of Dam, Reservoir and Power Facilities and Red Mountain Bar Modification	\$ 72,804,000	\$45,153,110	\$ 8,721,089	\$ 18,929,801
D. Administrative Items Applicable to Construction Costs Allocated by Third Agreement					
33.	Administration, Legal, Taxes & General Expense	1,000,000			
34.	Engineering & Management of Construction-----				
35.	On Specific Construction Costs-----	5,370,000			
36.	From Project Delay-----	550,000			
37.	Total-----	6,920,000	4,291,791	828,940	1,799,269
38.	Total Construction & Related Costs to City and Districts	\$ 79,724,000			
E. Other Districts' Costs					
39.	Reservoir Lands-----	\$ 3,406,000			
40.	Omissions, Contingencies, Engineering & Administration-----	340,600		1,181,678	2,564,922
41.	Transmission Lines (Incl. O&C, Escal., Eng. Administration)-----	4,337,000		3,215,000	1,122,000
42.	Buildings & Grounds for Project Operation & Maintenance-----	250,000		78,850	171,150
43.	Total Other Districts' Costs-----	\$ 8,333,600		\$ 4,475,528	\$ 3,858,072
II. ADDITIONS TO PROJECT COSTS NOT ANTICIPATED AT TIME OF THIRD AGREEMENT					
44.	Relocation of State and County Roads	\$ 8,200,000			
45.	Omissions, Contingencies, Eng. & Admin.	820,000			
46.	Recreation-----	1,250,000			
47.	Omissions, Contingencies, Eng. & Admin.	100,000			
48.	Total-----	\$ 10,370,000	\$ 5,362,545	\$ 1,579,351	\$ 3,428,104
49.	Net Project Estimate-----	\$ 98,427,600	\$54,807,446	\$15,604,908	\$28,015,246

NEW DON PEDRO ESTIMATE (Cont'd.)

III. <u>FINANCING COSTS</u>	TOTAL COSTS	DISTRIBUTION OF COSTS		
		CITY	MODESTO	TURLOCK
50. City's Interest During Construction (3%)	\$ 2,958,500	\$ 2,958,500		
51. Districts' Interest During Construction (3-3/4%)	<u>4,100,000</u>		\$ 1,419,000	\$ 2,681,000
52. Total Financing Cost	<u>7,058,500</u>	<u>2,958,500</u>	<u>1,419,000</u>	<u>2,681,000</u>
53. Gross Project Estimate-----	\$ 105,486,100	57,765,946	17,023,908	30,696,246
54. Flood Control-----		- 5,464,000		
55. Davis-Grunsky-----		- 3,878,408	- 1,142,250	- 2,479,342
56. Net-----		\$ 48,423,538	\$ 15,881,658	\$ 28,216,904

NOTES:

1. The ratio of 0.821582 for City participation is taken from the comparison of the 1959 Bechtel estimate of a 1,200,000 acre feet reservoir to a 2,030,000 acre feet reservoir as estimated on September 28, 1962 for the FPC hearing. ($\$35,853,000 \div \$43,639,000 = 0.821582$).
2. The ratio of 0.620201 for City participation in the administrative items applicable to construction costs allocated by Third Agreement is determined by comparison of City's participation in the construction of the dam, reservoir, power facilities and Red Mountain Bar Siphon modification to the Districts' participation in these costs. ($\$45,153,110 \div \$72,804,000 = 0.620201$).
3. The ratio of 0.517121 for City participation in Additions to Project Costs Not Anticipated At Time of Third Agreement is determined by comparison of City's additional storage achieved to Districts' additional storage achieved after deductions for original Don Pedro Reservoir, and minimum power pool. ($740,000 \div 1,431,000 = 0.517121$). ($691,000 \div 1,431,000 = 0.482879$).
4. The Legislature has authorized a Davis-Grunsky grant of up to \$7,500,000 which will accrue as a contribution to the Project. This amount will be distributed to the City and Districts in proportion to the amounts of additional storage achieved. (See Note 3 for ratios.)