

San Gorgonio Pass Water Agency

DATE: December 15, 2025
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Emmett Campbell, Director of Water Resources

SUBJECT: Consideration of Amendment No. 7 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program Between the Department of Water Resources and the San Gorgonio Pass Water Agency

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 7 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program Between the Department of Water Resources (“DWR”) and the San Gorgonio Pass Water Agency (“SGPWA”), and to make any non-substantive changes necessary to complete the execution of the agreement.

PREVIOUS CONSIDERATIONS

March 17, 2008 – Board of Directors approved the Yuba Accords Agreement.

March 16, 2009 – Board of Directors authorized Amendments No. 1 and 2 to the Yuba Accords Agreement.

March 15, 2010 – Board of Directors authorized Amendment No. 3 to the Yuba Accords Agreement.

September 19, 2011 – Board of Directors authorized Amendment No. 4 to the Yuba Accords Agreement.

November 11, 2014 – Board of Directors authorized Amendment No. 5 to the Yuba Accords Agreement.

September 21, 2020 – Board of Directors authorized Amendment No. 6 to the Yuba Accords Agreement.

BACKGROUND AND ANALYSIS

The Yuba County Water Agency (“YCWA”) is engaged in the Yuba River Accord initiative (“Yuba River Accord”) to resolve issues associated with the operation of the Yuba Project in a way that protects the lower Yuba River fisheries and local water supply reliability, while providing revenues for local flood control projects, water to use for protection and

restoration of the Sacramento-San Joaquin Delta (“Delta”) fisheries, and improvements to the state-wide water supply management.

The Yuba River Accords has three major elements. The first element is the Fisheries Agreement that provides higher flows for fish in the lower Yuba River during certain conditions. The second element is Conjunctive Use Agreements between YCWA and its member units for implementing a conjunctive use and water use efficiency program. The third element is the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources, in which YCWA makes surface water available for delivery and purchase by DWR.

In 2008, 21 State Water Contractors (“Contractors”) entered into agreements with DWR for the purchase and delivery of the water made available through the Yuba River Accords (“Participation Agreements”). Subsequently, six amendments were made to the DWR agreement. Additional Contractors decided to participate. As of 2025, a total of 23 Contractors were participants to the Participation Agreements. The existing Participation Agreements expire on December 31, 2025.

Amendment No. 7 to the Participation Agreements does multiple things:

1. Supersedes the Participation Agreements in its entirety.
2. Extends the expiration date to December 31, 2050.
3. Outlines the method for establishing the allocations and sharing of the water.
4. Simplifies the water storage components.

The water cost is typically renegotiated every five years. Amendment No. 7 has updated per unit costs of water. The increase from the 2020 amendment is approximately 17%, or 3.25% annually. The new cost of water for the Yuba River Accords is:

1. Wet Year - \$75 per acre-foot
2. Above Normal Year - \$150 per acre-foot
3. Below Normal Year - \$225 per acre-foot
4. Dry Year - \$300 per acre-foot
5. Critical Year - \$450 per acre-foot
6. Consecutive Dry or Critical Year - \$525 per acre-foot

Historically, the water that SGPWA is offered from the Yuba River Accords is approximately 300 acre-feet in drier year types. The overall quantities are not expected to change with the proposed Amendment No. 7.

STRATEGIC PLAN NEXUS

Amendment number 7 to the Yuba Accords Agreement helps advance various aspects of the Agency's Strategic Plan, including:

- Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
 - ✓ Objective 1 – Continue to participate in and facilitate local and state projects that increases water supply reliability, such as Sites Reservoir, Delta Conveyance, and other State Water Project facilities.
 - ✓ Objective 3 – Seek opportunities in the California water market to maximize the beneficial use of Agency water assets.
- Strategic Goal 2: Ensure a reliable delivery system that advances efficiency and resiliency.
 - ✓ Objective 5 – Pursue the strategic acquisition of water-related assets including water, facilities, or water rights, that align with the Agency's mission and provide long-term regional benefits by enhancing water supply reliability, operational flexibility, and resource sustainability.

FISCAL IMPACT

The funds for Yuba water will come from the Debt Service Fund (the Red Bucket) and be charged to Purchased Water (line # 161). Any Yuba water expense has already been, and will continue to be, included in the budget for Purchased Water.

This amendment represents a 17% increase from the previous amendment, Amendment No. 6. The maximum charge for Yuba water in any year, assuming we receive the maximum available to us, would be 300 acre-feet (in drier years) multiplied by \$525 per acre-foot, for a maximum charge of \$157,000. This amount is a small percentage compared to this year's budgeted amount for Purchased Water of \$4.8 M, and even less when compared to our overall Debt Service Budget of \$37.7 M. If the Board approves this agreement, Yuba water will have only a very small budgetary impact.

ACTION

Authorize the General Manager to execute Amendment No. 7 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program Between the Department of Water Resources and the San Gorgonio Pass Water Agency, and to make any non-substantive changes necessary to complete the execution of the agreement.

ATTACHMENTS

1. Amendment No. 7 to the Agreement for the Supply and Conveyance of Water By the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program

State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 7
TO
AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER
BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA
UNDER THE DRY YEAR WATER PURCHASE PROGRAM
BETWEEN
THE DEPARTMENT OF WATER RESOURCES
AND
THE SAN GORGONIO PASS WATER AGENCY

SWP #25-820

This AMENDMENT 7 (Amendment) to the “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” (Participation Agreement) is entered into as of _____ between the Department of Water Resources of the State of California (DWR), pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, and the San Gorgonio Pass Water Agency, a public agency in the State of California, herein referred to as the “AGENCY.” DWR and the AGENCY are herein referred to separately as the “Party” and collectively as the “Parties.” Unless otherwise provided in this Amendment, the definitions in the Yuba Water Purchase Agreement, and the exhibits to that agreement shall apply to this Amendment.

RECITALS

- A. The Yuba County Water Agency (Yuba) is engaged in the Yuba River Accord initiative (Yuba River Accord) to resolve issues associated with operation of the Yuba Project in a way that protects lower Yuba River fisheries and local water-supply reliability, while providing revenues for local flood control projects, water to use for protection and restoration of Sacramento-San Joaquin Delta (Delta) fisheries, and improvements in state-wide water supply management.
- B. The Yuba River Accord includes three major elements, all of which must be in place for the Yuba River Accord to become effective: (1) the Fisheries Agreement (dated November 3, 2007) to provide higher flows for fish in the lower Yuba River under certain conditions, (2) Conjunctive Use Agreements between Yuba and its Member Units for implementing a conjunctive use and water use efficiency program; and (3) the “Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources” dated December 4, 2007 (Yuba Water Purchase Agreement), as amended.
- C. Under the Yuba Water Purchase Agreement, Yuba makes surface water available for delivery and purchase by DWR, some of which is made available through substitution of groundwater for surface flows that would otherwise be used by its Member Units.
- D. In 2007 and 2008, 21 State Water Project (SWP) Contractors and the San Luis & Delta-Mendota Water Authority (Authority) entered into agreements with DWR for the purchase and delivery of the water made available under the Yuba Water Purchase Agreement (cumulatively referred to as the Participation Agreements). The Participating SWP Contractors and the Authority are jointly referred to as “Participating Contractors.” In 2014, two additional Participating SWP Contractors entered into Participation Agreements; and in 2020, one Participating SWP Contractor declined to renew the Participation Agreements. As of 2025, there are a total of 23 Participating Contractors.
- E. Since entering into the Participation Agreements, the Participating Contractors have approved Amendments 1 through 6.
- F. The Parties desire to extend the term and other provisions of this water supply and conveyance agreement whereby DWR will purchase water under the Yuba River Accord to make available for purchase by the Participating Contractors, including the AGENCY, through this Amendment 7.

Now, therefore, in accordance with the Recitals and in consideration of the terms and conditions herein, the Parties agree to the following:

1. DEFINITIONS

When used in this Participation Agreement, the following definitions will apply:

“Amendment” means this Amendment 7 to this Participation Agreement.

“Balanced Conditions” mean the hydrologic condition of the Delta as defined in the November 24, 1986 “Agreement between the United States of America and the State of California for Coordinated Operations of the Central Valley Project and the State Water Project” (COA), as amended.

“Banks Pumping Plant” means a SWP facility in the south Delta owned and operated by DWR.

“Carriage Water” means the water losses due to increased Delta outflow necessary to maintain baseline Delta salinity conditions as determined by DWR and Reclamation, that are associated with Storage Component Water and Net Accrued Groundwater Substitution Component Water that is exported by the Projects.

“Conference Year” means a Water Year for which the North Yuba Index is less than 500,000 acre-feet, calculated according to the procedures and formulas set forth in Exhibits 4 and 5 of the Fisheries Agreement, and using the latest available forecasts for the Water Year.

“Delivered Transfer Water” means Released Transfer Water from Yuba that is accounted as being exported by the Projects, or contributing to exports, as described in Section 5 of Exhibit 1 of the Yuba Water Purchase Agreement.

“Final Classification” means the Water Year classification for the Sacramento Valley Index in the May issue of DWR’s Bulletin 120.

“Fisheries Agreement” means the agreement, which is part of the Yuba River Accord, among Yuba, the California Department of Fish and Game (now known as Department of Fish and Wildlife), and other parties, under which Yuba operates the Yuba Project to provide higher flows in the lower Yuba River under certain conditions to improve fisheries protection.

“Management Committee” means the committee, consisting of one representative each from Yuba, DWR, and Participating Contractors, established under Section 12 (“Technical Committee and Management Committee”) of the Yuba Water Purchase Agreement.

“Member Unit” means a “Member Unit” as defined in Section 2(g) of the 1959 Yuba County Water Agency Act.

“Net Accrued Groundwater Substitution Component Water” is the net amount of water resulting from Yuba’s groundwater substitution pumping program that is made available to the Participating Contractors. The Net Accrued Groundwater Substitution Component Water will be released and delivered by Yuba to DWR in accordance with the Yuba Water Purchase Agreement.

“Participating Contractors” means all SWP Contractors and the Authority that have executed an agreement with DWR to purchase water originating from the Yuba Water Purchase Agreement.

“Participating SWP Contractors” means all Participating Contractors that are also SWP contractors.

“Participation Agreement” means the December 21, 2007 “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” as amended.

“Projects” means the State Water Project (SWP) and the Central Valley Project (CVP).

“Purchased Water” means the supply of Storage Component Water and Net Accrued Groundwater Substitution Component Water that has been delivered by Yuba to DWR and is accounted for as Delivered Transfer Water in the manner set forth in Exhibit 1 (“Scheduling and Accounting Principles”) of the Yuba Water Purchase Agreement. Purchased Water includes Carriage Water, water used as Delta outflow when the Export/Inflow ratio is controlling in the time period of July 1 through January 31 pursuant to the Revised Water Right Decision 1641, evaporation, and other losses assessed by DWR.

“Released Transfer Water” means the average daily flows measured at the Marysville Gage that are greater than the Baseline Flows and is further described in Section 4.2 of Exhibit 1 of the Yuba Water Purchase Agreement.

“Storage Component Water” means the water supplies available to DWR pursuant to Section 6 of the Yuba Water Purchase Agreement.

“SWP Long-Term Water Supply Contract” means the long-term water supply contract between the Parties, as amended.

“Technical Committee” means the committee, consisting of technical representatives from Yuba, DWR, and Participating Contractors, established under Section 12 (“Technical Committee and Management Committee”) of the Yuba Water Purchase Agreement.

“Third Party” means an agency, entity or individual other than DWR, a Participating Contractor, a Member Unit, customer, landowner, or any other entity within the boundaries of a Participating Contractor, as defined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement.

“Third-Party Transfer” means a water transfer from Yuba to a Third Party as defined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement.

“Water Accounting Year” means the twelve-month period commencing January 1 through December 31.

“Water Year” means the twelve-month period from October 1 of one year through September 30 of the following year. For this Participation Agreement, each Water Year will be classified: (1) as "Wet," "Above Normal," "Below Normal," "Dry" or "Critical," based on the Sacramento Valley Water Year Hydrologic Classification in Figure 1 on page 188 of the State Water Resources Control Board's March 15, 2000, Revised Water-Right Decision 1641; or (2) as a "Conference Year."

“Yuba Project” means the Yuba River Development Project, including New Bullards Bar Dam and Reservoir on the North Yuba River.

“Yuba River Accord” means Yuba’s initiative as described in Recitals A and B of this Participation Agreement.

“Yuba Water Purchase Agreement” means the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources, which is attached hereto as Attachment A, and as amended.

2. EFFECT OF THIS AMENDMENT

After December 31, 2025, this Amendment supersedes the Participation Agreement in its entirety.

3. TERM OF PARTICIPATION AGREEMENT

- A. This Participation Agreement will become effective upon execution by the Parties and will terminate on December 31, 2050.
- B. The Parties may terminate this Participation Agreement on December 31, 2030, if the Parties fail to amend this Participation Agreement pursuant to Section 4.B.3 as necessary to address amendments made to the Yuba Water Purchase Agreement regarding the quantity and pricing of water pursuant to Section 10 thereof.
- C. This Participation Agreement will remain in effect beyond the termination dates set forth above to the extent required to enable the Parties to satisfy all obligations then existing or outstanding.

4. PURCHASED WATER

- A. **METHODS FOR ESTABLISHING ALLOCATIONS AND SHARING OF WATER**
 1. DWR will make available to the Participating SWP Contractors, as a group, 50% of the following types of water: Storage Component Water and Net Accrued Groundwater Substitution Component Water.
 2. DWR will make available to the Participating SWP Contractors, and the Participating SWP Contractors may accept and purchase, Storage Component Water and Net Accrued Groundwater Substitution Component Water that is made available to the Authority, if the Authority elects to not take said water.
 3. All water made available to the Participating SWP Contractors shall be allocated among the Participating SWP Contractors as follows:
 - a) DWR will allocate to the AGENCY its share of water that is made available to the Participating SWP Contractors based on the AGENCY'S maximum Table A amount in its SWP Long-Term Water Supply Contract

as a proportion of the total Table A amounts provided under the Long-Term Water Supply Contracts of the Participating SWP Contractors.

- b) If any Participating SWP Contractor does not request some or any of its share of the water, the remaining Participating SWP Contractors have the first right to that water, and DWR will allocate that water among them, but excluding from the calculation the maximum Table A amount of the Participating SWP Contractors not requesting their full allocation.
 - c) The above process will repeat until all water is allocated to all Participating SWP Contractors that requested Purchased Water.
4. DWR will offer to the Authority any Storage Component Water and Net Accrued Groundwater Substitution Component Water made available pursuant to this Section and remaining unrequested water after completing the above allocation process.
5. For Storage Component Water, if the AGENCY does not take some or all of the water made available to it after the May 22 initial allocation, DWR will make that water available first to the other Participating SWP Contractors and then to the Authority. If that water is not purchased by the Participating SWP Contractors or the Authority, then the AGENCY will be required to purchase the remaining amount.

B. TYPES AND PRICES OF PURCHASED WATER

1. STORAGE COMPONENT WATER

- a) For Storage Component Water that is accounted for as Purchased Water and made available to the AGENCY from January 1, 2026 through December 31, 2030, the AGENCY will pay:
 - i) Wet Year. \$75 per acre-foot in a Final Classification Wet Water Year.
 - ii) Above Normal Year. \$150 per acre-foot in a Final Classification Above Normal Water Year.
 - iii) Below Normal Year. \$225 per acre-foot in a Final Classification Below Normal Water Year.

- iv) Dry Year. \$300 per acre-foot in a Final Classification Dry Water Year (except as provided in subsection vi, below).
- v) Critical Year. \$450 per acre-foot in a Final Classification Critical Water Year (except as provided in subsection vi, below).
- vi) Consecutive Dry or Critical Years. \$525 per acre-foot in two or more consecutive years with either a Final Classification of Dry or Critical Water Years.

b) Specified quantities of Storage Component Water in Dry and Critical Years (previously known as Component 2 Water) are subject to a price reduction. In 2004 during development of the Yuba River Accord, the Participating Contractors identified quantities of water they believed that the SWP and CVP would have received in Dry and Critical Years from the Yuba Project if alternative regulatory conditions of D-1644 had gone into effect (i.e., the long-term flow requirements). To address this concern, DWR and Yuba agreed to discount pricing for a portion of the Storage Component Water delivered in these year types. As a result, the price for such discounted Storage Component Water in Dry and Critical Water Years is 80% of the price of Storage Component Water agreed to by the Parties for the following quantities.

- i) In any Water Year that has a Final Classification as Dry, the first 15,000 acre-feet of Storage Component Water; and
- ii) In any Water Year that has a Final Classification as Critical, the first 30,000 acre-feet of Storage Component Water.

2. NET ACCRUED GROUNDWATER SUBSTITUTION COMPONENT WATER

The following provisions shall apply to Net Accrued Groundwater Substitution Component Water made available by Yuba, through DWR, to the AGENCY beginning on January 1, 2016 and continuing through the term of this Participation Agreement.

- a) Except as otherwise provided herein, Net Accrued Groundwater Substitution Component Water will be accounted for in accordance with the provisions of the Yuba Water Purchase Agreement.

- b) In every year within the term of this Participation Agreement when one or more Participating Contractors desire to purchase Net Accrued Groundwater Substitution Component Water from Yuba through DWR, the Management Committee representatives of DWR, Yuba, and the Participating Contractors will convene by February 15 and conclude by March 31 to negotiate the price per acre-foot of Net Accrued Groundwater Substitution Component Water, any provisions for the Delta export priority for such water, and any other terms applicable to the transfer of Net Accrued Groundwater Substitution Component Water. If necessary, the dates herein may be adjusted if approved in writing by Yuba and DWR with written notice to the AGENCY.
- c) In every Water Accounting Year when: (1) one or more Participating Contractors desire to purchase Net Accrued Groundwater Substitution Component Water; (2) the annual negotiations referenced in Section 4.B.2.b have reached a successful conclusion calling for the purchase of such water that year; (3) the Management Committee representatives have agreed as to the terms of, and each of these representatives has recommended in writing said terms and the approval of, a letter agreement between Yuba and DWR establishing the price per acre-foot and any modified terms that will be applicable to the Net Accrued Groundwater Substitution Component Water for that Water Accounting Year; and (4) DWR and Yuba have executed said letter agreement, DWR will offer in writing to the AGENCY the opportunity to purchase Net Accrued Groundwater Substitution Component Water at the price and terms as provided in the letter agreement between DWR and Yuba.

3. POSSIBLE FUTURE ADJUSTMENTS TO QUANTITIES

If the provisions of Section 10 or 20 of the Yuba Water Purchase Agreement require changes to the quantity of water available therein, the Parties agree that amendment of this Participation Agreement for such purposes will be a condition precedent of any amendment of the Yuba Water Purchase Agreement pursuant to Section 10 or 20 thereof. The Parties agree to meet and negotiate in good faith potential changes to this Participation Agreement.

4. PRICE FOR FALL DELIVERED WATER

Storage Component Water and Net Accrued Groundwater Substitution Component Water that is accounted as Delivered Transfer Water in the months of October and November will be priced using the determination of Water Year that was in effect before September 30 of that year.

C. THIRD-PARTY TRANSFERS PURSUANT TO SECTION 9 OF THE YUBA WATER PURCHASE AGREEMENT

The Yuba Water Purchase Agreement provides for the sale of water to Third Parties under the terms outlined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement. So long as a Third-Party Transfer is carried out consistent with the accounting provisions of Exhibit 1 for Released Transfer Water during Balanced Conditions in the Yuba Water Purchase Agreement, the AGENCY will not object based on the use of the transfer water accounting provisions of Exhibit 1 to such a transfer as not protective of DWR and the AGENCY as legal users of water during the time the AGENCY remains a Participating Contractor. The AGENCY also agrees that, as a Participating Contractor, it will not purchase water directly from Yuba other than through the Yuba Water Purchase Agreement.

5. REQUESTS, SCHEDULING, CONVEYANCE, AND STORAGE

Scheduling and conveyance of Purchased Water will be dependent on factors like releases by Yuba (including the flow schedule for the lower Yuba River as provided for in the Fisheries Agreement, the North Yuba Index, or the Yuba River Index), capacity of CVP and SWP facilities, and Bay-Delta conditions. To meet the goals of Section 7, the AGENCY may modify the requests in writing and DWR may update the allocation of Purchased Water without amending this Participation Agreement.

A. REQUESTS FOR STORAGE COMPONENT WATER

1. On or about April 11 of each Water Accounting Year, DWR will inform the AGENCY of the potential quantity of Storage Component Water that is available to the AGENCY.
2. On or before April 18, the AGENCY will submit an initial request to DWR for Storage Component Water.

3. On or about May 22, DWR will notify the AGENCY of the quantity of Storage Component Water to be allocated to the AGENCY pursuant to Section 5.A. DWR will continue to update the allocation to reflect the latest conditions.
4. In the event that Yuba wishes to conduct the First Type of Third-Party Transfer (as described in the Yuba Water Purchase Agreement) in the months of July through November during Balanced Conditions, and Yuba notifies DWR to not back a specified quantity of Released Transfer Water into Project storage, DWR will notify the AGENCY within 5 business days after Yuba issued the notice and provide an opportunity for the AGENCY to guarantee purchase of that portion of such water allocated to the AGENCY in accordance with Section 4.A at the current year pricing regardless of whether it becomes Delivered Transfer Water. Such water, when stored in Project storage, will be released in a subsequent year to the AGENCY provided it was stored in Project storage and not spilled by flood control releases before its scheduled release. The AGENCY will pay for this allocated amount at the current year pricing regardless of whether it becomes Delivered Transfer Water in the current year.

B. REQUESTS FOR NET ACCRUED GROUNDWATER SUBSTITUTION COMPONENT WATER

1. On or about April 1 of each Water Accounting Year, DWR will notify the AGENCY of the quantity of Net Accrued Groundwater Substitution Component Water that Yuba will make available and the terms of such water, including the price per acre-foot, and any other applicable terms.
2. On or before April 11, the AGENCY will submit an initial request to DWR for the amount of Net Accrued Groundwater Substitution Component Water.
3. On or before May 14, the AGENCY may adjust the requested quantity of Net Accrued Groundwater Substitution Component Water.
4. On or before May 14, the AGENCY will commit to the final quantity of Net Accrued Groundwater Substitution Component Water to be purchased during the Water Accounting Year, but such amount will not be less than the actual amount of Net Accrued Groundwater Substitution Component Water made available between April 1 and May 15 in accordance with the accounting provisions for Net Accrued Groundwater Substitution

Component Water set forth in Exhibit 1 of the Yuba Water Purchase Agreement.

5. On or about May 22, DWR will notify the AGENCY of the final quantity of Net Accrued Groundwater Substitution Component Water to be allocated to the AGENCY.
6. DWR will provide Yuba not less than 72-hours' notification for suspension or termination of groundwater pumping due to limitations on the ability to divert the Net Accrued Groundwater Substitution Component Water. In the event of such suspension or termination, the AGENCY will pay for its allocated quantity of Net Accrued Groundwater Substitution Component Water, including the amount incurred through the 72-hour notification period irrespective of whether DWR was able to divert the Net Accrued Groundwater Substitution Component Water.
7. The Parties acknowledge that Section 5.1.8 of the Yuba Accord Fisheries Agreement allows the River Management Team to schedule the release of a portion of Net Accrued Groundwater Substitution Component Water at a time when it might not be transferable. The AGENCY will not be required to pay for any portion of Net Accrued Groundwater Substitution Component Water that is released under Section 5.1.8 to the extent that it is not transferable under the accounting provisions set forth in Exhibit 1 of the Yuba Water Purchase Agreement.
8. The final allocated Net Accrued Groundwater Substitution Component Water can be reduced if Yuba Member Units pump less than the quantity in letter agreement between Yuba and DWR. The AGENCY will not be required to pay for this reduction.
9. If necessary, the dates herein may be adjusted if approved in writing by Yuba and DWR with written notice to the AGENCY.

C. SCHEDULING

1. The AGENCY shall submit monthly water delivery schedules and revised monthly schedules, if any, for approval to the Division of Operation and Maintenance, Office of the Division Manager, Water Deliveries Reporting Unit, indicating timing and point of delivery requested under this Agreement

with reference to SWP #25-820. Monthly and revised schedules shall be sent by electronic mail to SWP-SWDS@water.ca.gov.

2. The AGENCY shall submit weekly water delivery schedules that indicate timing and point of delivery requested with reference to SWP #25-820, by electronic mail by 10:00 am, Wednesday, for Monday through Sunday of next week to the following:
 - a) Water Delivery Scheduling
Water_deliv_sched@water.ca.gov
 - b) Power Management and Optimization Section
POCOptimization@water.ca.gov
 - c) Day-Ahead Scheduling Unit
Presched@water.ca.gov
 - d) Water Operations Scheduling Section
WOSS@water.ca.gov

D. CONVEYANCE

1. Purchased Water is subject to deduction of Carriage Water and other losses assessed by DWR. The conveyance of the remaining Purchased Water to the AGENCY's turnouts from the SWP Delta facilities is subject to the terms and conditions of this Participation Agreement, Article 55 of the AGENCY's SWP Long-Term Water Supply Contract, and applicable laws. Use of Purchased Water under this Participation Agreement shall be restricted to the AGENCY's service area inside SWP place of use. Delivery priorities shall be determined in accordance with Article 12(f) of the AGENCY's SWP Long-Term Water Supply Contract, with Purchased Water being classified as non-project water.
2. The AGENCY shall be responsible for, and shall bear all risks for, all conveyance losses and other water losses, if applicable. DWR shall deduct any losses, as determined by DWR, from the amount of Purchased Water.
3. In the event that further adjustments are required, including if final Carriage Water value differs from the initial estimate, DWR may, after consulting with the AGENCY, reclassify the AGENCY's Table A water to address any discrepancies.

E. STORAGE

The storage of Purchased Water under this Participation Agreement is subject to the terms and conditions of this Participation Agreement, Article 56(c) of the AGENCY's SWP Long-Term Water Supply Contract, and applicable laws. AGENCY acknowledges that DWR solely determines the available storage capacity and such storage may not interfere with SWP operations or other SWP Contractor's contractual rights. DWR will notify AGENCY of the risk of loss of the stored Purchased Water as soon as practicable. AGENCY acknowledges that stored Purchased Water is subject to spill, actual or theoretical, as determined by DWR. No power credit will accrue to AGENCY for storage of Purchased Water.

6. INVOICING AND PAYMENTS

DWR will invoice the AGENCY and the AGENCY will submit payment to DWR based on each invoice as provided below.

A. INVOICING FOR PURCHASED WATER

1. Initial Storage Component Water Invoice: On or about May 22 (or within 10 business days of the date that DWR receives an invoice from Yuba), DWR will invoice the AGENCY for 50% of the estimated amount of Storage Component Water allocated to the AGENCY.
2. Initial Net Accrued Groundwater Substitution Component Water Invoice: On or about May 22 (or within 10 business days of the date that DWR receives an invoice from Yuba) DWR will invoice the AGENCY for 50% of the amount of Net Accrued Groundwater Substitution Component Water allocated to the AGENCY.
3. Second Net Accrued Groundwater Substitution Component Water Invoice: On or about August 30 (or within 10 business days of the date that DWR receives an invoice from Yuba) DWR will invoice the AGENCY for 40% of the allocated Net Accrued Groundwater Substitution Component Water allocated to the AGENCY.
4. Final Invoice for Purchased Water: On January 17 of the next calendar year (or within 10 business days of the date that DWR receives an invoice from Yuba), DWR will invoice the AGENCY for the remaining unpaid cost for Purchased Water.

B. INVOICE FOR CONVEYANCE COSTS

DWR will invoice the AGENCY monthly for conveyance charges in accordance with Article 55 of the SWP Long-Term Water Supply contract. Specifically, the AGENCY shall pay the power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the conveyance of such water from the Delta for the year in which the Purchased Water is conveyed.

C. PAYMENTS FOR COSTS ATTRIBUTABLE TO YUBA WATER PURCHASE AGREEMENT

The Parties agree that costs DWR is obligated to pay Yuba pursuant to the Yuba Water Purchase Agreement, and that have not been identified by this Participation Agreement, will be an obligation of the Participating Contractors. If necessary, the Parties will amend this Participation Agreement to provide for invoicing and payment of such costs if not provided for herein.

D. PAYMENT TERMS AND CONDITIONS

1. The AGENCY will pay DWR within 31 days after receiving an invoice.
2. DWR will assess on the AGENCY a 1% interest rate per month from the due date until paid in full.
3. If the AGENCY disputes an invoice, the AGENCY will still pay the full invoiced amount. The AGENCY will submit a notice to DWR identifying the dispute within 31 days of receipt of the invoice. Within 21 days after DWR receives the notice, the Parties will meet and, if appropriate, obtain assistance from the Technical Committee and Management Committee to resolve the dispute. If the Parties find that the AGENCY overpaid, DWR will apply a credit on the next invoice. If there is no resolution, the Parties will follow the dispute resolution process in Section 11.
4. Invoices will itemize any prior payments and credits, and the total due, less any additional credits.

7. EFFORTS TO MAXIMIZE THE BENEFICIAL USE OF WATER

DWR will use all reasonable efforts to maximize the amount of Purchased Water available to the Participating Contractors. Those efforts will include, but are not limited to fully exercising its rights and obligations under the Yuba Water Purchase Agreement,

coordinating with Reclamation on the operations of the SWP and CVP, and storing water in SWP facilities when Delta pumping is constrained, as provided in the Yuba Water Purchase Agreement.

8. MEMBERSHIP ON COMMITTEES

DWR agrees that a representative of the Participating Contractors will be a member of the Management Committee and Technical Committee.

9. CONFERENCE YEAR PRINCIPLES

During any Conference Year, DWR will meet with Yuba and the other parties to the Fisheries Agreement and the Conjunctive Use Agreements to: (1) determine how to address the circumstances, and (2) discuss the operation of the Yuba Project during that Water Accounting Year.

10. LIABILITY

- A. DWR will not assert that the AGENCY, its directors, officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by DWR, its Director, officers, agents or employees, related to DWR's performance of this Participation Agreement, where such liability is caused by an act, error or omission of DWR, its Director, officers, agents or employees.
- B. The AGENCY will not assert that DWR, its Director, officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by the AGENCY, its directors, officers, agents or employees, related to the AGENCY's performance of this Participation Agreement, where such liability is caused by an act, error or omission of the AGENCY, its director, officers, agents or employees.
- C. To the extent permitted by California law, the AGENCY will indemnify, defend and hold DWR, its Director, officers, agents and its employees safe and harmless from any and all, claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorney's fees paralegal fees, consultant fees, engineering fees, expert fees, and any other professional fees) that arise from or are related in any way to the AGENCY's activities or performance under this Participation Agreement that are under the exclusive control of the AGENCY, including but

not limited to the release, conveyance, use or distribution of water by the AGENCY for purposes of this Participation Agreement.

- D. To the extent permitted by California law, DWR will indemnify, defend and hold the AGENCY, its directors, officers, agents and its employees safe and harmless from any and all, claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorney's fees, paralegal fees, consultant fees, engineering fees, expert fees, and any other professional fees) that arise from or are related in any way to DWR's activities or performance under this Participation Agreement that are under the exclusive control of DWR, including but not limited to the release, conveyance, use or distribution of water by DWR for purposes of this Participation Agreement.

11. DISPUTE RESOLUTION

- A. Should any material disputes arise concerning any provision of this Participation Agreement, or the rights and obligations of the Parties hereunder, including those involving possible termination or those that might cause the initiation of any administrative or judicial proceeding to enforce or interpret this Participation Agreement, the Party that believes a dispute exists will notify the other Party, and the Parties will promptly meet and confer to attempt to resolve the perceived dispute.
- B. If the process described in the preceding subsection fails to resolve the dispute within 30 days, the Parties will submit the dispute to a mediator who has experience in water-related disputes. The costs of any such mediation will be borne equally by the Parties. Initiation of this mediation process will be through written notice by one Party to the other Party. The Parties reserve all of their other remedies that may be provided by law or equity in the event that such mediation fails to resolve a dispute. The Parties, in consultation with the mediator, will use their best efforts to resolve the dispute within 30 days. Under no circumstances, however, will mediation under this Section result in a requirement that diminishes, limits or contravenes the discretion, authority or any delegated authority of the Director of DWR or the AGENCY under State law.
- C. If mediation fails to resolve the dispute, and prior to commencing any legal action to resolve the dispute, the Party proposing to commence legal action will provide the other Party 30 days' written notice of such action, provided that

such notice will not be required where a delay in commencing an action would prejudice the interests of the Party that intends to file suit. During the 30-day notice period, the Parties will continue to attempt to resolve the dispute.

12. NOT A PRECEDENT

The terms and conditions set forth in this Participation Agreement are not intended to set a precedent for any future contractual arrangements for conveying non-SWP water by DWR to the AGENCY.

13. PAYMENTS, NOTICES, OR OTHER COMMUNICATIONS

The time for providing any payments, notices, or other communications specified in this Participation Agreement may be extended within the term of this Participation Agreement with the consent of the Parties, confirmed in writing, without requiring an amendment to this Participation Agreement. All payments, notices, or other communications required under this Participation Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (a) served personally on the Party to whom notice is to be given; (b) sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to the Party to whom payment, notice or other communication is directed, by first-class mail, postage prepaid, and properly addressed to the designated representatives of the Party set forth below.

DWR:

Assistant Division Manager of Water Management
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001
cc: swpwatertransfers@water.ca.gov

AGENCY:

Lance Eckhart, General Manager
San Gorgonio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

A Party may notify the other Party in writing of a change in its designated representatives, without requiring an amendment to this Participation Agreement. When

requested, unless otherwise specified in this Participation Agreement, DWR will provide to the AGENCY copies of any and all communications it sends or receives pursuant to the terms of the Yuba Water Purchase Agreement. These communications will be shared as soon as possible, but not later than 14 days after DWR receives, or sends, such communications to Yuba, the Authority, and/or other Participating SWP Contractors.

14. SIGNATORIES' AUTHORITY

The signatories to this Participation Agreement represent that they have authority to execute this Participation Agreement and to bind the Party on whose behalf they execute this Participation Agreement.

The Parties agree that this Participation Agreement will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature. All Parties will receive an executed copy of this Agreement via DocuSign after all Parties have signed.

15. COUNTERPARTS OF THIS PARTICIPATION AGREEMENT

This Participation Agreement may be signed in any number of counterparts by the Parties, each of which will be deemed to be an original, and all of which together will be deemed to one and the same instrument. This Participation Agreement, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

16. BINDING ON SUCCESSORS/ASSIGNMENT

This Participation Agreement will bind and inure to the benefit of the respective successors and assigns of the Party, except that, none of the obligations of the Parties set forth in this Participation Agreement will be assigned without the prior, written approval of the other Party, which approval will not unreasonably be withheld.

17. NO THIRD-PARTY BENEFICIARIES

This Participation Agreement will not be construed to create any third-party beneficiaries, except as set forth in this section. This Participation Agreement is for the sole benefit of the Parties, their respective successors and assigns, and no other person or entity will be entitled to rely on or receive any benefit from this Participation Agreement or any of its terms.

18. AMENDMENTS

- A. This Participation Agreement may be amended or modified only by written agreement approved and executed by the Parties.
- B. Prior to any amendment of this Participation Agreement, the Parties will meet and confer with the other Participating SWP Contractors and the Authority. The Parties will not agree to any amendment to this Participation Agreement that would adversely affect the rights and obligations of the Participating SWP Contractors under each of their respective "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors under the Dry Year Water Purchase Program" or the Authority under its "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program."
- C. Prior to any amendment of any "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program", DWR will meet and confer with the AGENCY. DWR will not agree to any amendments to any "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program" or the "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program" that would adversely affect the rights and obligations under this Participation Agreement.
- D. DWR will meet and confer with the AGENCY, the other Participating SWP Contractors and the Authority before agreeing to any proposed changes, amendments, or supplements to the Yuba Water Purchase Agreement. DWR will not agree to any changes, amendments, or supplements to the Yuba Water Purchase Agreement or its Exhibits that would be inconsistent with or adversely affect the Parties' rights and obligations under this Participation Agreement, any other "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program" or under the "Agreement for the Supply and Conveyance of Water by the Department of

Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program."

19. OPINIONS AND DETERMINATIONS

Where the terms of this Participation Agreement provide for action to be based upon the opinion, determination, approval or review of either Party, such terms are not intended to be, and will not be construed as permitting such actions to be arbitrary, capricious or unreasonable. Any opinion, determination, approval or review required of a Party under this Participation Agreement will be provided in a timely manner.

20. REASONABLE COOPERATION

The Parties will reasonably cooperate with each other, including the execution of all necessary documents and providing assistance in obtaining approvals and permits from regulatory agencies required to perform the obligations under this Participation Agreement and to carry out the purpose and intent of this Participation Agreement.

21. CONSTRUCTION AND INTERPRETATION

This Participation Agreement is entered into freely and voluntarily. This Participation Agreement has been arrived at through negotiation, and each Party has had a full and fair opportunity to revise the terms of this Participation Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Participation Agreement.

22. COMPLETE CONTRACT

This Participation Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Participation Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Participation Agreement, except as to those other agreements that are expressly referred to in this Participation Agreement.

23. DETERMINATION OF UNENFORCEABLE PROVISIONS

If any term or provision of this Participation Agreement is deemed invalid or unenforceable by any court of final jurisdiction, the Parties will meet and attempt to address this situation pursuant to the provisions of Section 11 of this Participation Agreement.

24. WAIVER

The waiver at any time by a Party of its rights with respect to a default or other matter arising in connection with this Participation Agreement will not be deemed a waiver with respect to any other default or matter.

25. TIME

Time is of the essence in this Participation Agreement. Any date specified in this Participation Agreement may be changed with the written consent of the Parties.

26. APPLICABLE LAW

This Participation Agreement will be construed under and will be deemed to be governed by the laws of the State of California.

27. VENUE

Any appropriate County under California law will be venue for any state court litigation concerning the enforcement or interpretation of this Participation Agreement.

28. REMEDIES NOT EXCLUSIVE

The remedies provided in this Participation Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by the Party of any remedy under this Participation Agreement will be without prejudice to the enforcement of any other remedy.

29. OFFICIALS NOT TO BENEFIT

No member or delegate to Congress, Resident Commissioner, or Federal or State official will be admitted to any share or part of this Participation Agreement or to any benefit that may arise therefrom.

30. STANDARD CLAUSES

With respect to the mutual obligations of the Parties under this Participation Agreement, the Parties will comply with the Standard Clauses as shown on Attachment B ("State of California Standard Clauses") to this Participation Agreement for the State of California, Contracts with Public Entities.

31. ATTACHMENTS INCORPORATED

Each attachment to which reference is made is deemed incorporated in this Participation Agreement, whether or not actually attached.

DRAFT

IN WITNESS WHEREOF, the Parties hereto, by their authorized representatives, have executed this Participation Agreement on the last date set forth below.

Approved as to legal form
and sufficiency:

Ann Carroll
General Counsel

Date

Approved as to legal form
and sufficiency:

Name
Counsel

Date

STATE OF CALIFORNIA DEPARTMENT
OF WATER RESOURCES

Karla Nemeth
Director

Date

SAN GORGONIO PASS WATER
AGENCY

Lance Eckhart
General Manager

Date

ATTACHMENTS:

Attachment A: Amendment 8 to the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources

Attachment B: DWR Standard Clauses

DRAFT

ATTACHMENT A

AMENDMENT 8 TO THE AGREEMENT FOR THE LONG-TERM PURCHASE OF
WATER FROM YUBA COUNTY WATER AGENCY BY THE DEPARTMENT OF
WATER RESOURCES

DRAFT

ATTACHMENT B

**DEPARTMENT OF WATER RESOURCES STANDARD CLAUSES
FOR
AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER
BY THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF CALIFORNIA
TO THE AGENCY
UNDER
THE DRY YEAR WATER PURCHASE PROGRAM**

Worker's Compensation Clause. Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700).

Nondiscrimination Clause. During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to

labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

Compliance with Laws, Regulations, Permit Requirements. Contractor shall at all times comply with, and require its contractors and subcontractors to comply with, all applicable federal and State laws, rules and regulations, permits and all applicable local ordinances, specifically including but not limited to environmental, procurement and safety laws, rules, regulations, permits and ordinances.

Availability of Funds. Work to be performed under this contract is subject to the availability of funds through the State's normal budget process.

Audit Clause. Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

Compensation. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

Drug-Free Workplace Certification. Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

Americans with Disabilities Act. Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

Conflict of Interest. Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the

employment, activity or enterprise is required as a condition of regular state employment.

2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

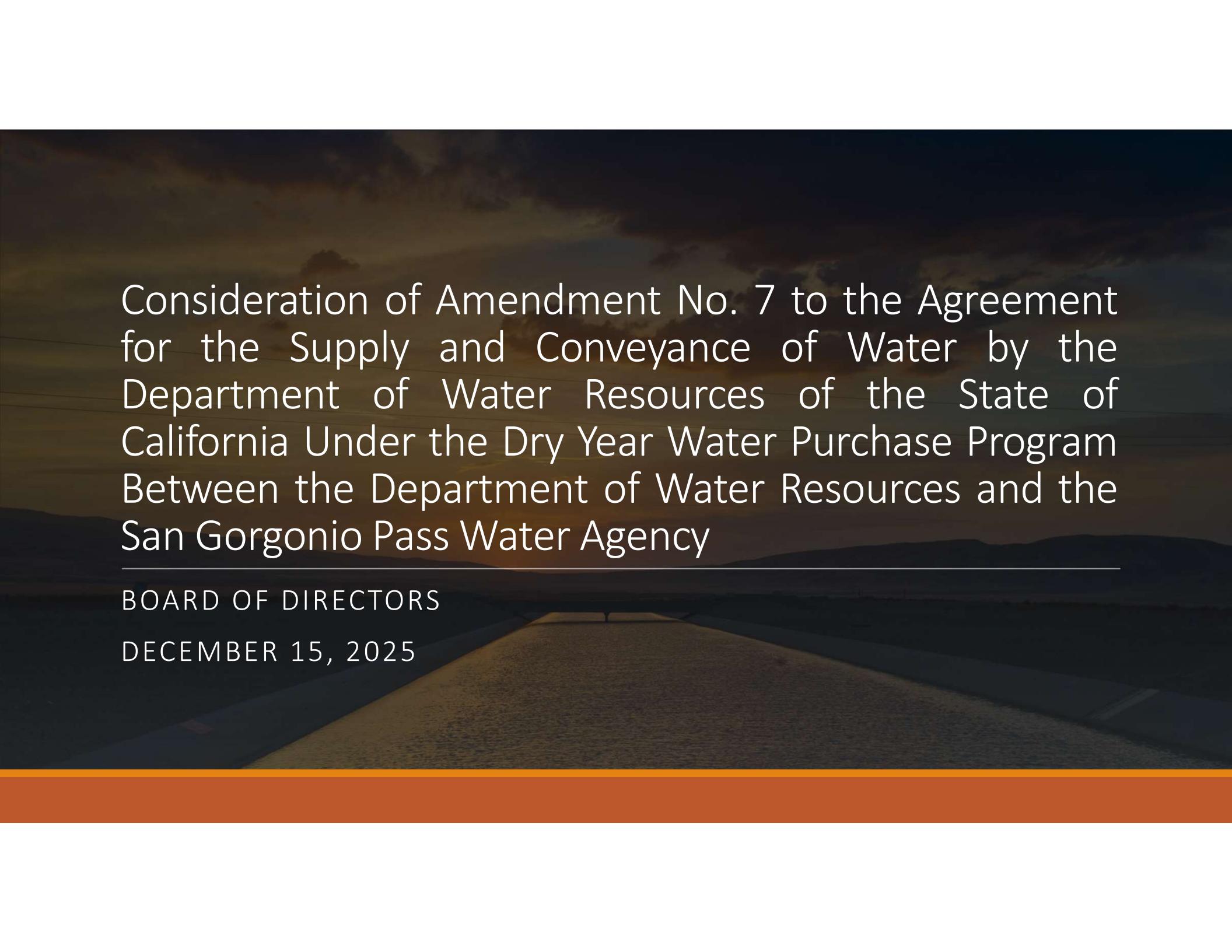
Child Support Compliance Act. For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

Air or Water Pollution Violation. Under the State laws, the Contractor shall not be: 1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; 2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

Recycling Certification. The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

DRAFT



Consideration of Amendment No. 7 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program Between the Department of Water Resources and the San Gorgonio Pass Water Agency

BOARD OF DIRECTORS

DECEMBER 15, 2025

The Water Supply Contract allows for DWR to acquire water on behalf of participating Contractors



DWR operates a Dry Year Water Program where they purchase water from entities that have available water



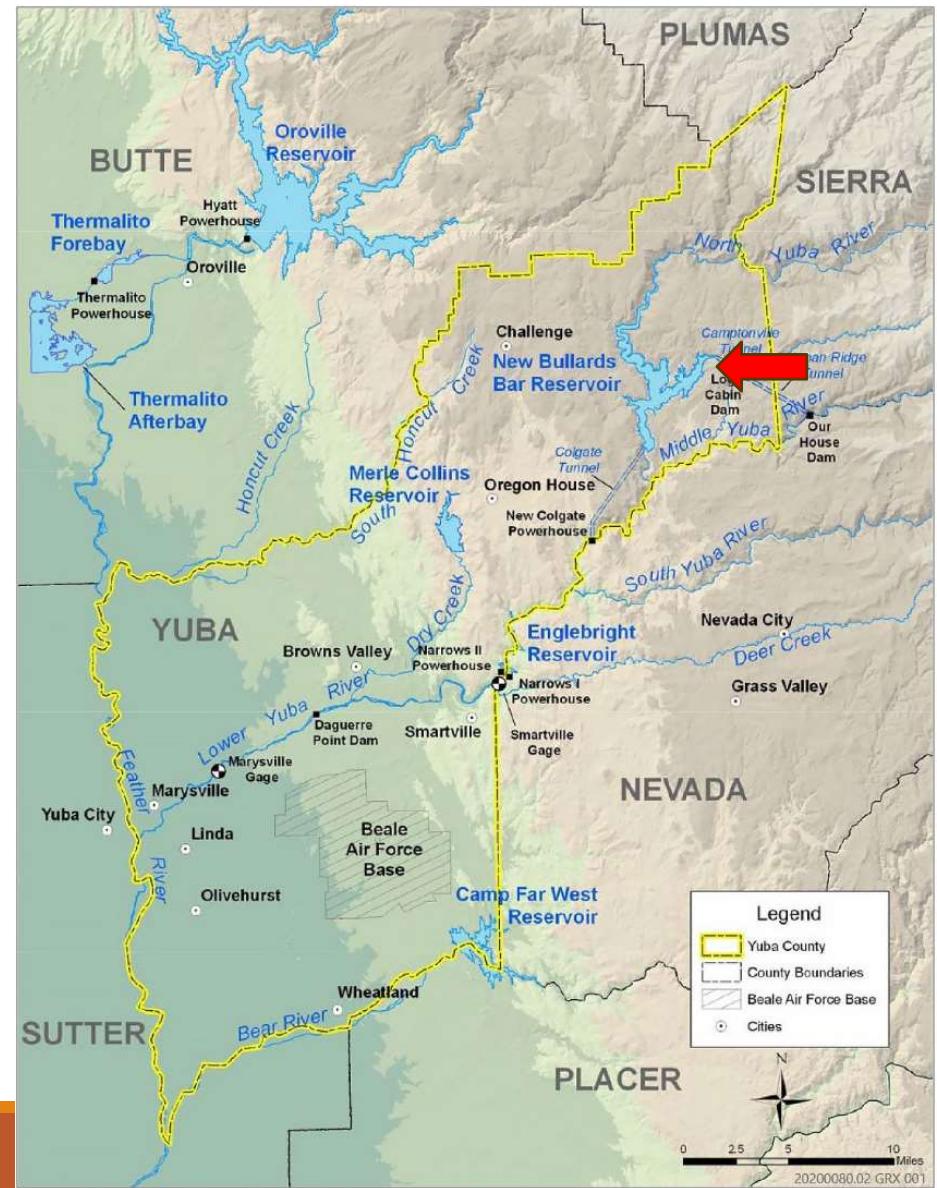
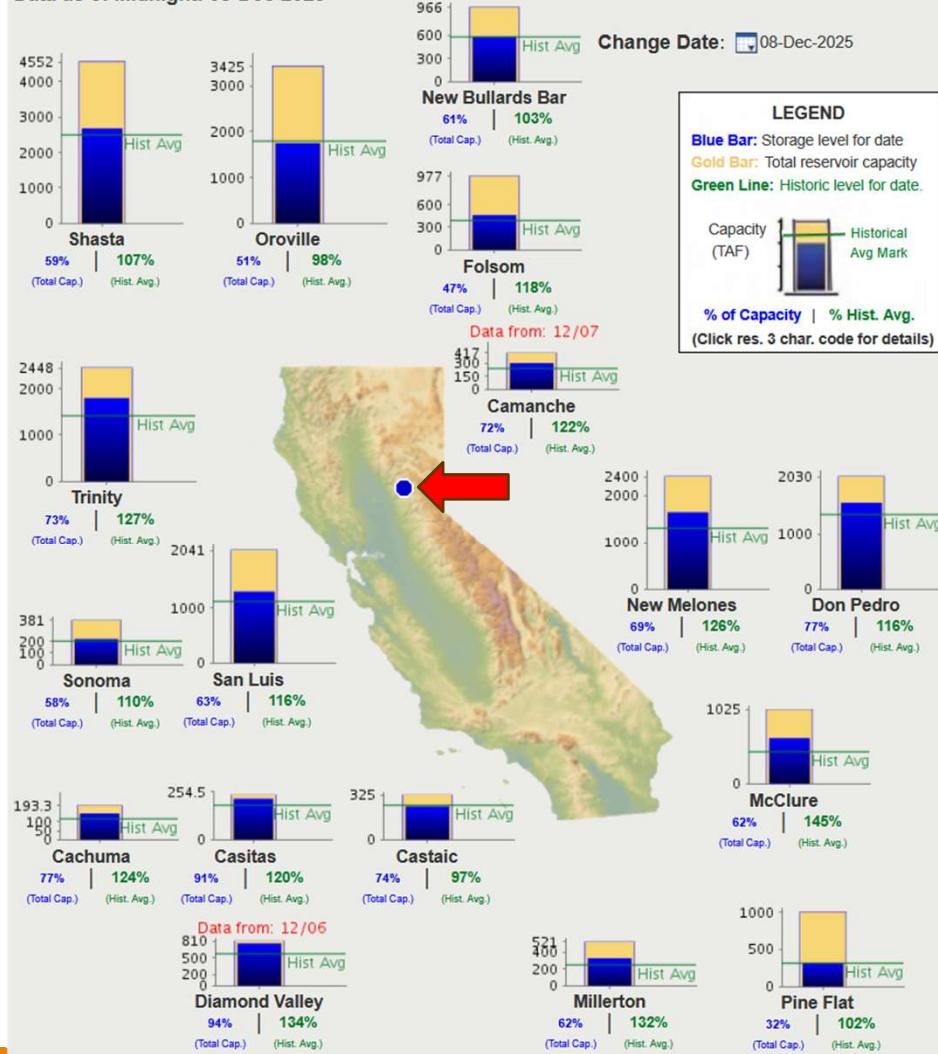
One such entity is the Yuba County Water Agency who has obligations through the Lower Yuba River Accords



DWR purchases water from this project and distributes this water proportionally to participating State Water Project Contractors

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:08-DEC-2025

Data as of Midnight: 08-Dec-2025



What is the Yuba River Accords?



A multi-party water management agreement for the Yuba River



Balances environmental protection, water supply, and flood safety

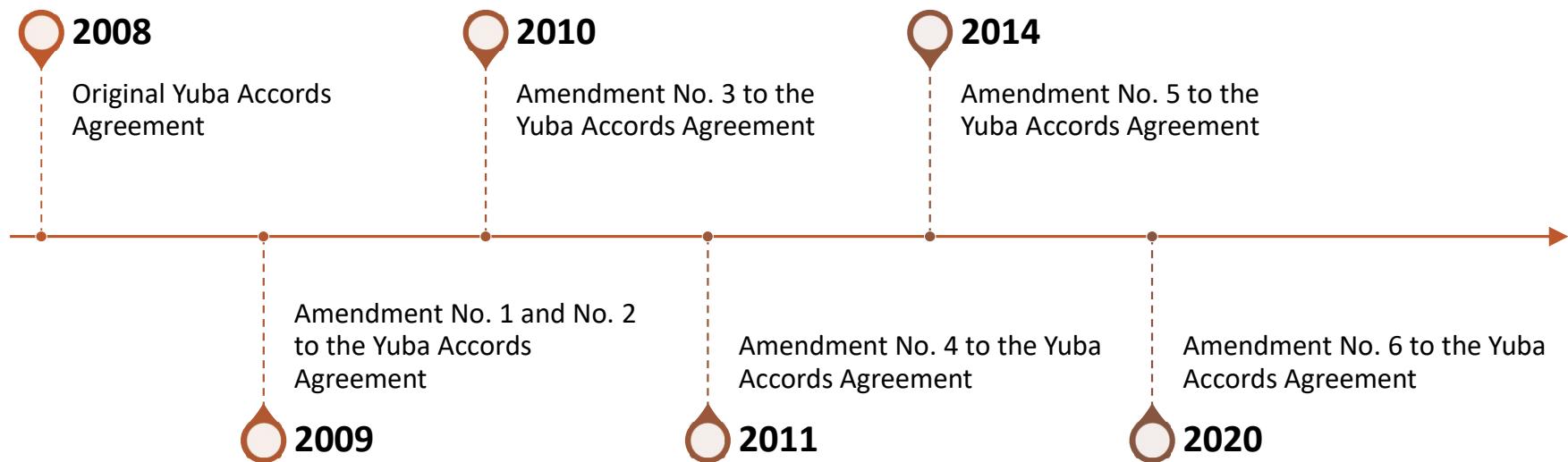


Provides cold-water flows for various fish species



Provides dry year supplies for Central Valley Project and State Water Project Contractors

Yuba Accords has had multiple amendments



Amendment No. 7 extends the term from 2025 to 2050 and accomplishes multiple goals



Replaces the Participation Agreements in its entirety.



Outlines the method for establishing the allocations and sharing of the water.



Simplifies the water storage components.



Updates the cost of the water available to participants.

The cost of water has increased by 17% since 2020, or 3.25% annually. These prices will be in effect until December 31, 2030.

Wet Year - \$75 per acre-foot

Above Normal Year - \$150 per acre-foot

Below Normal Year - \$225 per acre-foot

Dry Year - \$300 per acre-foot

Critical Year - \$450 per acre-foot

Consecutive Dry or Critical Year - \$525 per acre-foot

Recommendation

Authorize the General Manager to execute Amendment No. 7 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program Between the Department of Water Resources and the San Gorgonio Pass Water Agency, and to make any non-substantive changes necessary to complete the execution of the agreement.