

2012 Plant Flows Summary
 System Name: City of Stockton System Number: 3910012
 Treatment Plant: DWSP Water Treatment Plant

	Raw Water (Delta)		Raw Water (WID)		Recycled Water		Treated Water	
	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)
Jan-12								
Feb-12								
Mar-12								
Apr-12								
May-12			31.2	95.8	2.1	6.5	29.0	89.1
Jun-12	4.7	14.3	261.1	801.2	17.7	54.4	268.1	822.7
Jul-12	308.1	945.6	240.2	737.2	35.1	107.8	602.4	1,829.9
Aug-12	283.8	809.6	326.6	1,002.3	33.6	103.0	610.7	1,856.5
Sep-12	63.8	195.9	429.2	1,317.2	35.5	109.1	513.7	1,557.3
Oct-12	375.0	1,150.9	41.1	126.1	31.3	96.1	469.8	1,424.2
Nov-12	279.3	857.0	0.0	0.0	27.3	83.8	324.0	978.2
Dec-12	215.6	661.6	0.0	0.0	22.6	69.4	259.7	775.7
Min	4.7	14.3	0.0	0.0	2.1	6.5	29.0	89.1
Max	375.0	1,150.9	429.2	1,317.2	35.5	109.1	610.7	1,856.5
Avg	215.8	662.1	166.2	510.0	25.7	78.8	384.7	1,166.7
Total	1,510.3	4,634.8	1,329.4	4,079.8	205.3	630.0	3,077.4	9,333.6

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	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)
Jan 2013	251.54	771.95			24.08	73.90	256.77	781.84
Feb 2013	257.02	788.77			22.16	68.01	260.18	798.45
Mar 2013	63.95	196.26	269.30	826.45	26.20	80.40	338.50	1,038.81
Apr 2013	2.35	7.21	265.2	813.8	29.2	89.6	275.0	844.0
May 2013	12.24	37.56	536.1	1,645.2	36.0	110.4	550.3	1,689.0
Jun 2013	10.76	33.02	592.8	1,819.1	37.0	113.5	607.5	1,864.5
Jui 2013	6.46	19.83	619.0	1,899.5	38.7	118.7	636.2	1,952.3
Aug 2013	243.67	747.80	301.8	926.2	35.8	109.7	559.9	1,718.4
Sep 2013	418.78	1285.19	20.5	62.8	32.3	99.2	444.9	1,365.3
Oct 2013	493.88	1515.66			33.8	103.9	496.5	1,523.8
Nov 2013	413.89	1270.18			31.4	96.4	420.8	1,291.3
Dec 2013	304.45	934.32			21.8	66.9	311.3	955.2
Min	2.4	7.2	20.5	62.8	21.8	66.9	256.8	781.8
Max	493.9	1,515.7	619.0	1,899.5	38.7	118.7	636.2	1,952.3
Avg	206.6	634.0	372.1	1,141.9	30.7	94.2	429.8	1,318.6
Total	2,479.0	7,607.7	2,604.5	7,993.0	368.5	1,130.7	5,157.9	15,822.8

Plant Flows Summary

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System Number: 3910012

Treatment Plant: DWSP Water Treatment Plant

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	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)
Jan 2014	186.92	573.64			20.20	61.99	187.54	575.54
Feb 2014	96.56	286.33			21.59	66.26	112.15	344.17
Mar 2014	5.13	15.74	59.15	181.52	17.75	54.47	94.48	289.96
Apr 2014			77.34	237.35	15.86	48.67	102.68	315.10
May 2014			130.57	400.70	9.64	29.58	134.83	413.78
Jun 2014			259.59	796.65	15.13	46.43	253.93	779.27
Jul 2014	259.80	797.40	172.10	528.30	22.95	70.43	430.60	1,321.47
Aug 2014	192.28	590.11	252.97	776.36	26.24	80.53	461.11	1,415.15
Sep 2014	85.72	263.28	380.39	1,168.34	26.77	82.22	508.37	1,561.41
Oct 2014	187.11	574.22	218.51	670.58	25.00	76.72	422.42	1,296.36
Nov 2014	281.31	863.31			17.31	53.12	283.43	869.81
Dec 2014	248.61	762.95			14.70	45.10	248.51	762.65
Min	5.13	15.74	59.15	181.52	9.64	29.58	94.48	289.96
Max	281.31	863.31	380.39	1,168.34	26.77	82.22	508.37	1,561.41
Avg	171.49	526.33	193.83	594.98	19.43	59.63	270.00	828.72
Total	1,543.44	4,736.98	1,550.62	4,759.81	233.14	715.53	3,240.05	9,944.66

Annual Plant Flows Summary

2015

System Name: City of Stockton
 Treatment Plant: DWSP Water Treatment Pla

System Number: 3910012

	Raw Water (Delta)		Raw Water (WID)		Recycled Water		Treated Water	
	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)
January	9.73	29.86			0.59	1.81	9.82	30.14
February	172.50	529.38			17.57	53.92	181.89	558.20
March	65.57	201.23	248.27	761.91	18.55	56.93	313.02	960.62
April	0.00	0.00	293.55	900.87	18.41	56.50	316.45	971.15
May	122.64	376.37	422.75	1,297.37	28.20	86.54	542.07	1,663.55
June	353.46	1,084.73	325.37	998.52	32.90	100.97	676.51	2,076.13
July	452.30	1,388.05	218.09	669.29	29.10	89.30	679.86	2,086.41
August	531.09	1,629.85			26.11	80.13	551.06	1,691.14
September	548.61	1,683.62			23.60	72.43	538.38	1,652.22
October	424.05	1,301.36			21.23	65.15	428.54	1,315.14
November	184.50	566.21			9.15	28.08	169.52	520.24
December	142.17	436.30			12.13	37.23	134.40	412.46
Min	0.00	29.86	218.09	669.29	0.59	1.81	9.82	30.14
Max	548.61	1683.62	422.75	1297.37	32.90	100.97	679.86	2086.41
Avg	251.75	772.58	322.49	989.67	19.80	60.75	378.46	1161.45
Total	3020.95	9270.93	1508.03	4627.96	237.54	728.98	4541.52	13937.38

Annual Plant Flows Summary

2016

System Name: City of Stockton

System Number: 3910012

Treatment Plant: DWSP Water Treatment Plant

	Raw Water (Delta)		Raw Water (WID)		Recycled Water		Treated Water	
	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)	Total Water (MG)	Total Water (Acre-feet)
January	259.33	795.85	0.00	0.00	14.99	46.00	259.51	796.41
February	270.94	831.48	0.00	0.00	16.07	49.32	272.99	837.77
March	40.88	125.46	297.78	913.85	19.36	59.41	352.97	1,083.22
April			492.53	1,511.52	21.80	66.90	500.47	1,535.88
May			594.27	1,823.74	21.89	67.18	606.04	1,859.86
June			711.13	2,182.37	24.96	76.60	721.94	2,215.55
July 25-14	85.05	261.01	471.18	1,445.99	18.37	56.38	584.61	1,794.10
August								
September								
October								
November								
December								
Min	0.00	125.46	0.00	0.00	14.99	46.00	259.51	796.41
Max	270.94	831.48	711.13	2182.37	24.96	76.60	721.94	2215.55
Avg	164.05	503.45	349.29	1071.91	19.63	60.26	471.22	1446.11
Total	656.20	2013.80	2566.89	7877.48	137.44	421.79	3298.53	10122.79

Resolution No. 08-0027

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER PURCHASE AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT

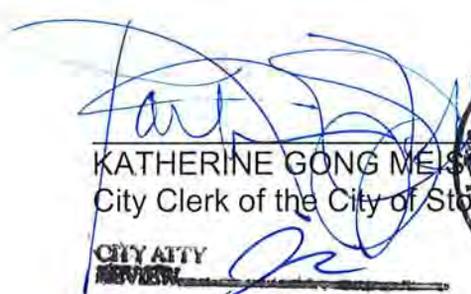
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Agreement for Purchase of Water from the Woodbridge Irrigation District (the "District") by the City of Stockton (the "Agreement") is hereby approved.
2. Pursuant to Section 10 of the Agreement, the obligations of the City under the Agreement are conditioned on the District and City completing all proceedings under the California Environmental Quality Act applicable thereto.
3. The City Manager is hereby authorized and directed to execute the Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.
4. The City Manager is hereby authorized and directed to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED AND ADOPTED JAN 22 2008.


EDWARD J. CHAVEZ, Mayor
of the City of Stockton

ATTEST:


KATHERINE GONG MEISNER
City Clerk of the City of Stockton

CITY CLERK

DATE

JAN 15 2008



AGREEMENT FOR PURCHASE OF WATER FROM THE
WOODBIDGE IRRIGATION DISTRICT BY THE CITY OF STOCKTON

This Agreement is made and entered into between Woodbridge Irrigation District and the City of Stockton, adjoining public entities located within the County of San Joaquin, State of California, this 22 day of January, 2008.

Background Recitals

a. The City of Stockton obtains a portion of its municipal water supply from wells located within the City, extracting the water from the underground aquifer, which is replenished in part by flows of the Mokelumne River. Stockton desires to acquire a supplemental surface water supply to offset current groundwater pumping as part of its overall conjunctive use program.

b. Because of substantial population growth and increasing water demands in the Stockton metropolitan area, the City is also developing its Delta Water Supply Project to divert surface water from the San Joaquin River, and has obtained Permit 21176 from the State to divert water for that Project. The City needs to supplement that surface water supply in the periods of each year when the diversion of water from that source is restricted by the terms of the City's Water Permit.

c. Woodbridge Irrigation District (District or WID) is an irrigation district that is organized and existing under Division 11 of the California Water Code (Sections 20500 et seq). The District is located immediately west of the City of Lodi and immediately north of the City of Stockton. The District diverts water from the Mokelumne River at Woodbridge Dam, located in the NE 1/4 of the SE 1/4 of Section 34, Township 4 N, Range 6 E, MDBM, for irrigation of a net area of 19,370.3 acres within a gross area of 40,441.77 acres and that are located within Townships 2 N, 3 N, 4 N and 5 N, Ranges 5 E, 6 E and 7 E, MDBM.

d. The District diverts its water supply from the Mokelumne River under pre-1914 appropriative rights for the diversion of water up to 300 cubic feet per second (cfs). The District's pre-1914 rights are overlapped by the District License No. 5945 for the appropriation of 300 cfs per annum from February 1 to October 31 for irrigation use, supplemented by License No. 8214 for the diversion of an additional 114.4 cfs from May 1 to August 31 of each year and from November 1 of each year to January 31 of the succeeding year. The combined rights under the two Licenses together with the District's pre-1914 rights are limited to a maximum diversion of 414.4 cfs.

e. The District, following the East Bay Municipal Utility District's (EBMUD) building of the Pardee and Camanche Reservoirs on the Upper Mokelumne River, entered into Agreements with EBMUD in 1938 after Pardee's completion and again in 1965 after the completion of Camanche, which acknowledged the priority of some of the District rights to the EBMUD rights, and under which agreements EBMUD releases a Regulated Base Supply of water each year from Camanche Reservoir for diversion by the District at Woodbridge Dam for irrigation use.

f. The District's demand for water from the Mokelumne River under its water rights has begun to diminish by reason of the District's water conservation programs, including the conversion of field furrow and flood irrigation methods of application to water applied by drip irrigation and micro-sprinklers, which reduce the amount of applied water for crops. Reductions in the delivery of irrigation water have also occurred and are continuing to occur by reason of the number of irrigated acres being reduced as a result of urbanization of lands in the southern part of the District which are being annexed by the City of Stockton.

g. By reason of the anticipated reductions in water usage within the District, the District has determined that it will have surplus water in certain amounts available under its water entitlements from the Mokelumne River, and the water that would be delivered to the City by this Agreement will be surplus to the needs of the landowners and water users within the District as required by Section 22259 of the Water Code. The District's conveyance facilities traverse the northerly portion of the City of Stockton, and the District could deliver water diverted from the Mokelumne River under its water rights to Stockton at a location along the District's canal system indicated in this Agreement.

h. The City of Stockton desires to contract with the District for the purchase of water from the District for use within the City service area, for which the City will pay on the basis and pursuant to the conditions hereinafter set forth.

NOW, THEREFORE, WOODBRIDGE IRRIGATION DISTRICT (DISTRICT)
AND THE CITY OF STOCKTON (CITY) AGREE AS FOLLOWS:

1. Water to be Made Available to City and Payment. Beginning on January 1, 2009, and continuing through the term of this Agreement, the District shall make available to the City out of District's Regulated Base Supply, 6,500 acre-feet per annum under the terms and conditions herein set forth. In consideration thereof, the City will pay the District annually the sum of \$200 per acre-foot for such water or \$1,300,000 (ONE MILLION THREE HUNDRED THOUSAND DOLLARS) annually. Payments thereon of \$325,000 (THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS) quarterly are due and payable in advance beginning on the first day of each calendar quarter, commencing on January 2, 2009. Said payments shall be made irrespective of whether the City takes the water made available to it under this Agreement and irrespective of whether the District has water available to it under this Agreement for delivery to the City, provided that the District shall make its best efforts to provide to the City the amounts of water provided for in this Agreement.

In lieu of delivering water in 2009, the quarterly payments made to the District in 2009 shall be used by the District for the improvements to be made by the District to the Wilkerson Canal as provided in paragraph 2 below, and any right of way costs that may be incurred, in order to deliver the water to the City. Any funds remaining after the completion of such capital improvements shall be refunded to the City.

After 2009, for each quarter-year payment made by the City prior to the completion and commencement of operation of the City's initial phase of the DWSP (not to exceed a total of

eight calendar quarters), the City shall be entitled to one-fourth of its annual water entitlement that year (1,625 acre-feet) as a carryover credit, to be delivered thereafter at not to exceed a total of 2,000 acre-feet per year, to be provided in years when District has the additional water available to make such deliveries, as provided in paragraph 6.a. hereof.

2. Point of Delivery and Times and Amounts of Delivery. The District agrees to deliver the water to the City from the District's Wilkerson Lateral canal, at the northwest corner of the City's parcel located in the East ½ of the NE ¼ of Section 33, T 3 N, R 6 E, MDB&M (APN 059-030-02, formerly owned by Rodao), as shown in Exhibit A attached hereto. The water will be delivered during the period from March 1 through July 31 of each year, at a uniform rate of delivery, 24 hours per day, throughout the month. The District shall make needed capacity improvements to the Wilkerson lateral, using therefore the proceeds of the payments by the City to the District during the initial year (2009) under the Agreement, as set forth in Section 1 above. The improvements to be made and the schedule for the improvements shall be prepared by the District and shall be approved by the City. The cost of the improvements needed to the Wilkerson Lateral in order to deliver the water to the City shall be at the cost of the City.

The City shall construct at its sole cost and expense the facilities needed to measure and take delivery of water from the District Canal system at a mutually agreed-upon location at the above-described point of delivery, and the design, construction and operation thereof shall be approved by the District. The City will be responsible for all costs of operation, repair, maintenance and replacement of such facilities. The measurement facilities shall be recalibrated annually at the City's expense as requested by the District and the District shall have a continuing right to test the accuracy of such facilities.

a. The City shall provide the District, as soon as possible after January 1 of each year, and in any event not later than February 15 of each year, an estimate of the amount of water anticipated to be needed by the City during each month of that year from March 1 through July 31, which scheduling will be subject to the District's approval. The District will supply such water on said approved monthly schedule pursuant to and as limited by the terms, conditions and limitations of this Agreement; provided that the City shall to the extent that its operations will permit, schedule the taking of as much of its entitlement to water from the District that year prior to July 1 as is feasible, but in any event not less than 3,000 acre feet. The delivery of 6,500 acre-feet of water will be made each year in approximately the following amounts each month. The parties may jointly agree to variations in the monthly delivery schedule amounts subject to the availability of water.

Estimated Deliveries

<u>Month</u>	<u>Amount (af)</u>
March	1,000 ±
April	1,000 ±
May	3,000 ±
June	1,500±
July	1,000 ±
Total (not to exceed)	6,500

Orders for water deliveries and changes thereto must be made upon a 72-hour notice placed in person or by phone with the District on any business day (Monday-Friday) and between the hours of 8 AM to 12 PM and 1 PM to 5 PM. No water orders to turn water on or off or change the rate of delivery shall be left with an answering machine or faxed to the District. Delivery of water shall be at a constant rate until changed by proper notice.

b. At such times as it is possible for the District to deliver any of the 6,500 acre-feet of water to the City during the period from August 1 to October 15, and also at such times as the District has additional water available and can deliver water in excess of 6,500 acre feet during the period from March 1 through October 15, then by mutual agreement of the parties, delivery of such water to the City may be made by the District. The City shall pay the District \$100 per acre foot for any such additional water delivered to the City in excess of 6,500 acre-feet.

c. The determination of whether any such water is available for delivery to the City shall be made solely by the District. In the event that both the City of Stockton and the City of Lodi under their respective Agreements request additional water during the same period(s) that additional water is available for delivery, the water shall be apportioned between them if necessary in the manner and times that they shall agree upon. In the event they do not agree, such water shall be apportioned between them by the District 50/50, i.e., one-half to Lodi and one-half to Stockton; provided that, if such apportionment would result in either party losing any deficiency curtailment water banked to the credit of that party because of non-use within the required eight-year period under Section 6.b., that party shall have a first right to such portion of the available water that will avoid such loss.

d. The water furnished by the District under this Agreement shall be used or furnished by the City only for domestic, municipal, industrial, irrigation and other beneficial uses. The City shall have no right to sell or transfer any of its entitlement to water from the District under the Agreement, permanently or on interim basis, or to use any of said water outside of the City, without the District's prior approval.

e. The District further agrees that it will, during the term of this Agreement at the City's request, divert from the Mokelumne River at the District's Woodbridge Dam and wheel and convey through the District's canal system to the City's delivery point any non-District water acquired by or available to the City, subject to the District having available capacity for that purpose and subject to the City paying a per-acre-foot charge in an amount which the District determines to be its costs for such service. The District's cost for such service in year 2007 would be \$20 per acre-foot. There would be no wheeling charge for District water in the event the City purchases some of the District water that is under the purchase contract of the City of Lodi.

f. Commencing on January 1 of 2010, and on January 1 of each year thereafter, the amounts payable to the District under paragraph 1, and the amounts payable to the District under subparagraphs 2.b. and 2.e., shall be increased by two percent per year above the amounts payable during the preceding calendar year. In the event that the annual change in the Consumer Price Index (CPI-W, unadjusted U.S. average) published in December of each year by the United

States Bureau of Labor Statistics, commencing in December of the preceding year, has increased more than two (2) percent above the December Index of the prior year, the increases in the amounts payable in the ensuing year shall be in the percentage of that increase; provided that any such annual increase shall not exceed five percent (5%).

g. The payments by the City to the District under this Agreement shall be deemed to include the payment during the term of the Agreement of all District groundwater recharge fees on parcels within the City of Stockton which are also located within the boundary of the District.

3. Term of Agreement and Right to Purchase Additional Water.

a. This Agreement shall be effective from the date of execution hereof, and shall remain in effect for a term of forty (40) years from said date.

b. Upon receipt by the District of written notice and request for renewal from the City at least two years in advance of the termination of the Agreement, the District agrees to negotiate with the City for a renewal of this Agreement for an additional forty (40) year term, on terms and conditions that are reasonable and equitable and which are satisfactory to the District.

c. Right to Purchase Additional Water. The City shall have the further right during the initial term of this Agreement to buy up to an additional 6,500 acre-feet of water from the District based upon the annexation of additional lands within the District to the City of Stockton after the completion and commencement of operation of the initial phase of the City's Delta Water Treatment Plant, and which as a result of such annexation will be taken out of agricultural production, as follows. For each acre of land so annexed after such date which is now zoned agricultural and which has been irrigated with District water:

- and for which a tentative subdivision map is approved for such acreage for use other than agriculture,
- and which is to be served a water supply by the utility water system now serving lands within City of Stockton,

the City will be entitled to purchase an additional 3.0 acre-feet of water per such acre from the District, on the same terms and subject to the same conditions herein applicable to the 6,500 acre-feet under this Agreement.

4. City Payments to be Made from City's Water System Revenues. The City shall make payments under this Agreement solely from the Revenues of the Stockton Municipal Water System. The City hereby pledges the Revenues to the payments required hereunder. Nothing herein shall be construed as prohibiting the City from using any other funds and revenues for purposes of satisfying any provisions of this Agreement. So long as the City is in compliance with all of its obligations hereunder, such pledge shall not prevent its application of Revenues to other operating expenses of the Stockton Municipal Water System or, subject to the payment of such operating expenses, to other lawful purposes, or impair the rights of any recipient of Revenues lawfully so applied. District agrees that it will subordinate the pledge of Revenues hereunder to any bond or bonds issued for the purpose of financing capital improvements to the

City's Municipal Water System for a period not to exceed three years from the effective date of this Agreement.

"Revenues" means "all gross income and revenue received or receivable by the City from the ownership and operation of the Stockton Municipal Water System, which gross income and revenue shall be calculated in accordance with generally accepted accounting principles, including all rates, fees, and charges received by the City for water service and connection and hook-up fees and all other income and revenue howsoever derived by the City from the ownership and operation of or arising from the Stockton Municipal Water System, but excluding in all cases any proceeds or taxes and any refundable deposits made to establish credit, federal or state grants, or advances or contributions in aid of construction."

"Stockton Municipal Water System" means "the municipal water system of the City existing on the effective date of this Agreement and all additions, betterments, extensions and improvements thereto hereafter acquired or constructed."

5. No Permanent Water Right, and Dry Year Curtailments. The District has determined that the water to be made available annually for delivery to the District pursuant to this Agreement will be surplus to the needs of the District during the term of this Agreement. The parties further agree that no permanent right to the water supplied by the District shall accrue to the City except pursuant to and as limited by the terms of this Agreement.

a. The District agrees that it will deliver up to 6,500 acre-feet per annum to the City under this Agreement except in years when forecasted runoffs in the Mokelumne Watershed by DWR and EBMUD, beginning with the February 1 forecast by DWR and EBMUD indicates that the inflow to Pardee Reservoir as of July 1 may be less than a total quantity of 375,000 acre-feet (in which case the District's Regulated Base Supply of 60,000 acre feet under its Agreements with East Bay Municipal Utility District is reduced by thirty-five percent (35%)). In such years, the District may reduce the amount of water to be provided under this Agreement by up to fifty percent (50%), as follows. Beginning in March and in each ensuing month through July when the forecasts in those months continue to indicate that the July 1 inflow may be less than 375,000 acre-feet, the District may reduce the amount of water to be provided during those months under paragraph 2.a. by up to fifty percent (50%). In the event that any ensuing monthly forecast indicates that the estimated July 1 inflow will not be less than 375,000 acre-feet, City will be entitled to have the amount of its delivery under paragraph 2.a. for that month. The remainder of any undelivered amount under paragraph 2.a., by reason of the curtailments for that year shall be included as makeup deficiency water under paragraph 6.a. unless it was delivered later in that deficiency year. There shall be no reduction in the amount of the City's annual payment to the District in such years under paragraph 1.

b. The City shall have no claim for damages for breach arising from the unavailability of water from the District or for the District's inability to deliver water to the City due to failure of facilities, intervening acts, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce or modify operations and quantities of water otherwise available to District, and any legal action, legislation, ruling or determination adverse to the

District affecting the agreement and beyond the reasonable control of the District. District shall make good faith efforts to vigorously oppose such reductions.

6. Carryover of Entitlements. Unused water may not be carried over by the City from year to year except that the right to receive water may be "banked" for later use, as follows:

a. For each calendar quarter beginning January 1, 2010 in which payments to District are made under paragraph 1 of this Agreement but in which the City is unable to take water deliveries under the Agreement because the commencement of operations of the initial phase of the City's DWSP has not begun, the City may carry over and have credit for one-fourth of its annual water entitlement, not to exceed a total of 13,000 acre-feet. The District will make this water available for later delivery during the initial 40-year term of this Agreement, not to exceed 2,000 acre-feet per year, at such times as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

b. If delivery of water to the City is curtailed by District's maintenance or other District activities or by reason of a dry year condition as provided in paragraph 5.a. and is not used later in that year, then the City may carry over and have credit for the amount of such curtailment for later delivery at such time(s) as the District has extra water available as determined solely by the District. Any City credits for curtailed segments of carryover water shall expire at the end of eight (8) years from the end of the period in which the curtailment for the segment of curtailed water occurred. Such credits for the delivery of curtailed carryover water which accrue less than eight years immediately preceding the termination date of this Agreement, may extend beyond the termination of this Agreement and be utilized within eight years from the year of their accrual at such time(s) as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

c. The determination of whether any such banked water or curtailment water is available for delivery shall be made solely by the District, and shall be taken by the City in the years that the District determines that it is available, at the times and in the amounts determined by the District after consulting with the City on the times and amounts that is most convenient to the City.

d. In the event that both the City of Stockton and the City of Lodi request water banked to their respective credits during the same period(s) that the water is available for delivery, the water shall be apportioned between them if necessary in the manner and times that they shall agree upon. In the event they do not agree, the available water shall be apportioned between them 50/50 by the District, or one-half to each; provided that, if such apportionment would result in either party losing any deficiency curtailment water banked to the credit of that party because of non-use within the required eight-year period under Section 6.b above, that party shall have a first right to such portion of the available water that will avoid such loss.

e. Except as provided in subparagraph a, no credits shall accrue for water that is available to but is unused by the City.

7. Water Quality, Temporary Interruptions, and Responsibility for the Water Beyond Point of Delivery.

a. The water being supplied to the City is raw water diverted from the Mokelumne River, and the character or quality of the water furnished hereunder may vary from time to time. District does not guarantee in any respect the character or quality of the water furnished pursuant to this Agreement, provided that the District shall not apply or use any chemicals within the Canal section used to deliver water to the City that the City determines to be deleterious to the quality of the water for the uses made by the City of such water.

b. It is agreed that there may be, in addition to shortages of water, temporary discontinuance or reduction of water to be furnished for the City as herein provided, for purposes of investigation, inspection, maintenance, repair or replacement as may be necessary of any of the facilities used by the District for furnishing water to the City. The District agrees to provide the City notice of such temporary discontinuance or reduction of water as soon as such information is available to the District.

c. The City shall hold the District harmless from and defend the District from all claims or expenses on account of damage or claim of damage of any nature whatsoever from which there is legal responsibility, including property damage, personal injury or death, arising out of or connected with the delivery, control, carriage, handing, use, or disposal or distribution of water furnished hereunder beyond the point of delivery of water into the City's system from the District's Canal System.

8. Arrearage in Payments. No water shall be furnished to the City during any period in which the City may be in arrears in payment of charges accruing hereunder after the determination on the amount thereof as above provided. Interest on arrearage in payment shall be charges at a rate of 1-1/2% per month and compounded monthly, commencing 45 days after the due date of the payment.

9. Assignment. The provisions of this contract shall apply to and bind the successors and assigns of the respective parties hereto; but no assignment or transfer of this contract or any part thereof or interest therein by the City shall be valid unless and until approved in writing by the District; and no assignment of the obligation to provide or deliver the water shall be assignable by the District without the consent of the City.

10. CEQA and Validation of Agreement.

a. The parties agree that the District will be Lead Agency for purposes of compliance with any requirements of the California Environmental Quality Act pertaining to the execution of this Agreement by each party. District and City acknowledge and agree that the obligations of the parties under this Agreement are conditioned on District and City completing, proceedings under CEQA in connection with the Agreement and the expiration of the applicable period for any challenge to the adequacy of District's and City's compliance with CEQA without any challenge being filed. District and City shall select a qualified environmental consultant acceptable to both to prepare the underlying documentation for District's review and

consideration as may be required by CEQA and applicable law. City shall direct the qualified environmental consultant and both City and the environmental consultant shall coordinate the preparation of the environmental analysis with District to ensure an adequate and complete consideration of potential environmental impacts. Any documentation submitted by City shall be sufficient for District to make a fair decision in accordance with applicable law. Neither party shall be bound hereby unless and until District's compliance with CEQA is completed and there is no possibility of a challenge pursuant to CEQA. The obligations of each party shall be conditioned upon the result of CEQA compliance not imposing any obligations or conditions upon that party's performance that are unacceptable to that party. District and City acknowledge that any modifications to the proposed project resulting from District's compliance with CEQA may necessitate amendments to this Agreement in a mutually acceptable manner.

b. A validation action may be brought to determine the validity of this agreement pursuant to Section 22670 of the Water Code and Sections 860 et seq of the Code of Civil Procedure, within the 60-day time limit of Section 860. In the event any such action is brought, then the agreement and the parties' obligations hereunder shall be conditioned upon the entry of a judgment affirming the validity of the agreement. In the event the validation judgment contains conditions or restrictions which impose upon either party costs, requirements, obligations or limitations in their performance of the agreement or upon their operations or property interests which were not reasonably anticipated by that party as a consequence of this Agreement and which are in that party's judgment unacceptable or otherwise not in the best interests of that party, that party shall have the right to terminate this Agreement, and in that event neither party shall have any further liability or obligation to the other party hereunder.

11. Fees and Costs. Any fees, costs or expenses, including attorney fees, administrative costs, and consultant fees, incurred by the District to effect the sale of water to the City, together with CEQA and any other regulatory approval, shall be paid by District and City on a 50/50 basis. The City shall not be required to contribute to any fees or costs incurred by District relating to other issues or disputes that may arise in any of said proceedings not directly relating to City's use of District water. District shall provide to City invoices and accountings of said fees and expenses on a quarterly basis.

12. City Use of District Rights of Way. The District agrees to cooperate with City and to agree to the City's use of any District right of way along the District's Canal System needed by the City for the conveyance or distribution of water it obtains from the District. Nothing herein warrants or guarantees that the District has the ability or authority to allow such use under its interest in its rights of way.

13. Entire Agreement. This Agreement contains the full and entire Agreement of the parties and there are no other conditions, either explicit or implied, nor any warranties or promises other than those contained within the written terms of this Agreement.

14. Time of the Essence. Time is of the essence in the performance of this Agreement.

15. Nonwaiver. The failure of either party to enforce or abide by a term or condition of this Agreement shall not constitute a waiver of that term or condition unless a written Agreement

is prepared specifically providing for the waiver or forgiveness of that term and such Agreement is executed by each party hereto.

16. Date of Execution. The date of execution of this Agreement is the date of execution by the party last signing the Agreement. City shall execute this Agreement within sixty (60) days after its approval for execution by the District, and upon City's failure to do so, District shall not be obligated to enter into this Agreement.

17. Lodi's Prior Rights. City acknowledges that District has an existing Agreement with the City of Lodi dated May 13, 2003, to sell 6,000 acre-feet of water per annum to Lodi, and the City acknowledges the receipt of said Agreement, as amended on _____. City further acknowledges that by reason thereof, this Agreement to sell such water to the City of Stockton and the providing of water to Stockton hereunder is subordinate to the District's obligations to deliver such amount of water to Lodi under the Lodi Agreement as set forth in Section 4(c) of the Lodi Agreement, as amended. The District has offered the additional 6,500 acre-feet of water to be sold to Stockton, and Lodi has declined to exercise its right of first refusal to purchase the additional water.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the _____ day of _____, 2008.

WOODBIDGE IRRIGATION DISTRICT

By _____
William Stokes, President

Attest:

Andrus Christensen, Secretary

CITY OF STOCKTON, A MUNICIPAL CORPORATION

By _____
, Mayor

Attest:

, City Clerk

APPROVED AS TO FORM:

, City Attorney

CITY COUNCIL/REDEVELOPMENT AGENCY

AGENDA ITEM 6.07

Date: January 22, 2008

January 22, 2008

TO: Mayor and City Council

FROM Mark J. Madison, Director of Municipal Utilities

SUBJECT: **EXECUTE A WATER PURCHASE AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute a water purchase agreement with the Woodbridge Irrigation District. During the first year of the agreement, the City will pay \$1,300,000; divided into quarterly payments of \$325,000. Thereafter, the annual cost is subject to increase based on the Consumer Price Index (CPI).

SUMMARY

This action will secure 6,500 acre-feet of Mokelumne River water for Municipal and Industrial use in the City of Stockton for a period of 40 years beginning in 2009. This water will be conveyed to the future Delta Water Supply Project Water Treatment Plant for treatment and pumping to the water distribution system. This agreement is subject to approval of the Woodbridge Irrigation District Board and the City of Lodi, who has a first right of refusal on water available for sale according to a prior agreement. The agreement is also subject to environmental clearance in accordance with State law.

DISCUSSION

Background

Since the late 1970's, the Stockton Metropolitan Area has received treated surface water provided by contracts held by the Stockton East Water District. In 1995, the City of Stockton, the California Water Service Company and the County of San Joaquin, along with the Stockton East Water District entered into a 10-year water transfer agreement with the Oakdale and South San Joaquin Irrigation Districts. That agreement, set to expire in late 2009, is currently under renegotiation. The balance of water supply to meet demand comes from groundwater wells throughout the metropolitan area.

In 1995, Council approved the Delta Water Supply Project to supply an additional 33,600 acre-feet of surface water initially, and 126,900 acre-feet ultimately in the year 2050 under City water rights filings. City water rights are important for ensuring long-term water supplies, but are not the only water that can be treated and distributed to the metropolitan area. Water transfers, like Oakdale and South San Joaquin's, are an important component of an overall water supply planning strategy.

The primary benefit of this water purchase is to supplement Delta Water Supply Project diversions from the San Joaquin River to avoid protected species. The U.S. Fish and

EXECUTE A WATER PURCHASE AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT

(PAGE 2)

Wildlife Service Biological Opinion stipulates mandatory pumping curtailment beginning in March and continuing into June of each year. In order to maintain treated water delivery from the Delta Water Supply Project water treatment plant, an alternate supply is beneficial. Woodbridge water deliveries would fill that gap and provide additional water into the future.

A secondary benefit of this agreement is the added reduction of groundwater needed to meet the City's water demands. Through the conjunctive use of surface and groundwater, our goal is to maximize surface water supplies and, in turn, rely less on groundwater. The result of using less groundwater in favor of surface water results in more groundwater available in drought years when surface water supplies are cutback, primarily our Stockton East Water District contract.

Current Situation

The Woodbridge Irrigation District holds water rights on the Mokelumne River and is interested in selling some of its water on the local market. Woodbridge historically has served only agricultural customers up until 2004, when it entered into a water sales agreement with the City of Lodi. Woodbridge has offered to sell 6,500 acre-feet initially, with additional water made available through the conversion of lands from agricultural to urban use at a rate of three acre-feet per acre, provided those lands are in the current Woodbridge Irrigation District service area; primarily lands north of Eight Mile Road. Urban demand is currently calculated at 2.4 acre-feet per acre based on village residential development as planned north of Eight Mile Road in the recently adopted 2035 General Plan Update. This means an additional 0.6 acre-feet per acre of water is made available through the development of lands north of Eight Mile Road further offsetting the need for groundwater supplies in the Metropolitan Area.

This agreement will guarantee the City a supply of reliable, high quality water for a period of 40 years, beginning in 2010. Because the Delta Water Supply Project water treatment plant won't be completed until the spring of 2011, the agreement provides a mechanism for banking water after year one. The first year, Woodbridge would use the revenue from this sale to construct improvements to their conveyance facilities to deliver the water to the future water treatment plant on Lower Sacramento Road.

The terms of this agreement are for a 40-year supply of water at a rate of \$200 per acre-foot, paid in quarterly installments beginning in calendar year 2009. This unit cost per acre-foot is subject to an inflation rate based on the Consumer Price Index (CPI-W, unadjusted U.S. average) published in December of each year by the United States Bureau of Labor Statistics of not lower than 2%, and not more than 5% per year beginning in calendar year 2010.

January 22, 2008

**EXECUTE A WATER PURCHASE AGREEMENT WITH THE WOODBRIDGE
IRRIGATION DISTRICT**

(PAGE 3)

FINANCIAL SUMMARY

There is no budget impact in the current fiscal year. Because the agreement is based on a calendar year, half of the first year's purchase cost, or \$650,000, will be budgeted in the 2008/09 fiscal year.

PREPARED BY: Robert Granberg

Respectfully Submitted,



MARK J. MADISON
DIRECTOR OF MUNICIPAL UTILITIES

MJM:RLG:pd

Approved by:



J. GORDON PALMER, JR.
CITY MANAGER

Resolution No. _____

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER PURCHASE AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Agreement for Purchase of Water from the Woodbridge Irrigation District (the "District") by the City of Stockton (the "Agreement") is hereby approved.
2. Pursuant to Section 10 of the Agreement, the obligations of the City under the Agreement are conditioned on the District and City completing all proceedings under the California Environmental Quality Act applicable thereto.
3. The City Manager is hereby authorized and directed to execute the Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.
4. The City Manager is hereby authorized and directed to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED AND ADOPTED _____.

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

CITY ATTY
REVIEW

DATE


JAN 15 2008

AGREEMENT FOR PURCHASE OF WATER FROM THE
WOODBIDGE IRRIGATION DISTRICT BY THE CITY OF STOCKTON

This Agreement is made and entered into between Woodbridge Irrigation District and the City of Stockton, adjoining public entities located within the County of San Joaquin, State of California, this 22 day of January, 2008.

Background Recitals

a. The City of Stockton obtains a portion of its municipal water supply from wells located within the City, extracting the water from the underground aquifer, which is replenished in part by flows of the Mokelumne River. Stockton desires to acquire a supplemental surface water supply to offset current groundwater pumping as part of its overall conjunctive use program.

b. Because of substantial population growth and increasing water demands in the Stockton metropolitan area, the City is also developing its Delta Water Supply Project to divert surface water from the San Joaquin River, and has obtained Permit 21176 from the State to divert water for that Project. The City needs to supplement that surface water supply in the periods of each year when the diversion of water from that source is restricted by the terms of the City's Water Permit.

c. Woodbridge Irrigation District (District or WID) is an irrigation district that is organized and existing under Division 11 of the California Water Code (Sections 20500 et seq). The District is located immediately west of the City of Lodi and immediately north of the City of Stockton. The District diverts water from the Mokelumne River at Woodbridge Dam, located in the NE 1/4 of the SE 1/4 of Section 34, Township 4 N, Range 6 E, MDBM, for irrigation of a net area of 19,370.3 acres within a gross area of 40,441.77 acres and that are located within Townships 2 N, 3 N, 4 N and 5 N, Ranges 5 E, 6 E and 7 E, MDBM.

d. The District diverts its water supply from the Mokelumne River under pre-1914 appropriative rights for the diversion of water up to 300 cubic feet per second (cfs). The District's pre-1914 rights are overlapped by the District License No. 5945 for the appropriation of 300 cfs per annum from February 1 to October 31 for irrigation use, supplemented by License No. 8214 for the diversion of an additional 114.4 cfs from May 1 to August 31 of each year and from November 1 of each year to January 31 of the succeeding year. The combined rights under the two Licenses together with the District's pre-1914 rights are limited to a maximum diversion of 414.4 cfs.

e. The District, following the East Bay Municipal Utility District's (EBMUD) building of the Pardee and Camanche Reservoirs on the Upper Mokelumne River, entered into Agreements with EBMUD in 1938 after Pardee's completion and again in 1965 after the completion of Camanche, which acknowledged the priority of some of the District rights to the EBMUD rights, and under which agreements EBMUD releases a Regulated Base Supply of water each year from Camanche Reservoir for diversion by the District at Woodbridge Dam for irrigation use.

~~EXHIBIT "A"~~

f. The District's demand for water from the Mokelumne River under its water rights has begun to diminish by reason of the District's water conservation programs, including the conversion of field furrow and flood irrigation methods of application to water applied by drip irrigation and micro-sprinklers, which reduce the amount of applied water for crops. Reductions in the delivery of irrigation water have also occurred and are continuing to occur by reason of the number of irrigated acres being reduced as a result of urbanization of lands in the southern part of the District which are being annexed by the City of Stockton.

g. By reason of the anticipated reductions in water usage within the District, the District has determined that it will have surplus water in certain amounts available under its water entitlements from the Mokelumne River, and the water that would be delivered to the City by this Agreement will be surplus to the needs of the landowners and water users within the District as required by Section 22259 of the Water Code. The District's conveyance facilities traverse the northerly portion of the City of Stockton, and the District could deliver water diverted from the Mokelumne River under its water rights to Stockton at a location along the District's canal system indicated in this Agreement.

h. The City of Stockton desires to contract with the District for the purchase of water from the District for use within the City service area, for which the City will pay on the basis and pursuant to the conditions hereinafter set forth.

NOW, THEREFORE, WOODBRIDGE IRRIGATION DISTRICT (DISTRICT)
AND THE CITY OF STOCKTON (CITY) AGREE AS FOLLOWS:

1. Water to be Made Available to City and Payment. Beginning on January 1, 2009, and continuing through the term of this Agreement, the District shall make available to the City out of District's Regulated Base Supply, 6,500 acre-feet per annum under the terms and conditions herein set forth. In consideration thereof, the City will pay the District annually the sum of \$200 per acre-foot for such water or \$1,300,000 (ONE MILLION THREE HUNDRED THOUSAND DOLLARS) annually. Payments thereon of \$325,000 (THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS) quarterly are due and payable in advance beginning on the first day of each calendar quarter, commencing on January 2, 2009. Said payments shall be made irrespective of whether the City takes the water made available to it under this Agreement and irrespective of whether the District has water available to it under this Agreement for delivery to the City, provided that the District shall make its best efforts to provide to the City the amounts of water provided for in this Agreement.

In lieu of delivering water in 2009, the quarterly payments made to the District in 2009 shall be used by the District for the improvements to be made by the District to the Wilkerson Canal as provided in paragraph 2 below, and any right of way costs that may be incurred, in order to deliver the water to the City. Any funds remaining after the completion of such capital improvements shall be refunded to the City.

After 2009, for each quarter-year payment made by the City prior to the completion and commencement of operation of the City's initial phase of the DWSP (not to exceed a total of

eight calendar quarters), the City shall be entitled to one-fourth of its annual water entitlement that year (1,625 acre-feet) as a carryover credit, to be delivered thereafter at not to exceed a total of 2,000 acre-feet per year, to be provided in years when District has the additional water available to make such deliveries, as provided in paragraph 6.a. hereof.

2. Point of Delivery and Times and Amounts of Delivery. The District agrees to deliver the water to the City from the District's Wilkerson Lateral canal, at the northwest corner of the City's parcel located in the East ½ of the NE ¼ of Section 33, T 3 N, R 6 E, MDB&M (APN 059-030-02, formerly owned by Rodao), as shown in Exhibit A attached hereto. The water will be delivered during the period from March 1 through July 31 of each year, at a uniform rate of delivery, 24 hours per day, throughout the month. The District shall make needed capacity improvements to the Wilkerson lateral, using therefore the proceeds of the payments by the City to the District during the initial year (2009) under the Agreement, as set forth in Section 1 above. The improvements to be made and the schedule for the improvements shall be prepared by the District and shall be approved by the City. The cost of the improvements needed to the Wilkerson Lateral in order to deliver the water to the City shall be at the cost of the City.

The City shall construct at its sole cost and expense the facilities needed to measure and take delivery of water from the District Canal system at a mutually agreed-upon location at the above-described point of delivery, and the design, construction and operation thereof shall be approved by the District. The City will be responsible for all costs of operation, repair, maintenance and replacement of such facilities. The measurement facilities shall be recalibrated annually at the City's expense as requested by the District and the District shall have a continuing right to test the accuracy of such facilities.

a. The City shall provide the District, as soon as possible after January 1 of each year, and in any event not later than February 15 of each year, an estimate of the amount of water anticipated to be needed by the City during each month of that year from March 1 through July 31, which scheduling will be subject to the District's approval. The District will supply such water on said approved monthly schedule pursuant to and as limited by the terms, conditions and limitations of this Agreement; provided that the City shall to the extent that its operations will permit, schedule the taking of as much of its entitlement to water from the District that year prior to July 1 as is feasible, but in any event not less than 3,000 acre feet. The delivery of 6,500 acre-feet of water will be made each year in approximately the following amounts each month. The parties may jointly agree to variations in the monthly delivery schedule amounts subject to the availability of water.

Estimated Deliveries

<u>Month</u>	<u>Amount (af)</u>
March	1,000 ±
April	1,000 ±
May	3,000 ±
June	1,500±
July	1,000 ±
Total (not to exceed)	6,500

Orders for water deliveries and changes thereto must be made upon a 72-hour notice placed in person or by phone with the District on any business day (Monday-Friday) and between the hours of 8 AM to 12 PM and 1 PM to 5 PM. No water orders to turn water on or off or change the rate of delivery shall be left with an answering machine or faxed to the District. Delivery of water shall be at a constant rate until changed by proper notice.

b. At such times as it is possible for the District to deliver any of the 6,500 acre-feet of water to the City during the period from August 1 to October 15, and also at such times as the District has additional water available and can deliver water in excess of 6,500 acre feet during the period from March 1 through October 15, then by mutual agreement of the parties, delivery of such water to the City may be made by the District. The City shall pay the District \$100 per acre foot for any such additional water delivered to the City in excess of 6,500 acre-feet.

c. The determination of whether any such water is available for delivery to the City shall be made solely by the District. In the event that both the City of Stockton and the City of Lodi under their respective Agreements request additional water during the same period(s) that additional water is available for delivery, the water shall be apportioned between them if necessary in the manner and times that they shall agree upon. In the event they do not agree, such water shall be apportioned between them by the District 50/50, i.e., one-half to Lodi and one-half to Stockton; provided that, if such apportionment would result in either party losing any deficiency curtailment water banked to the credit of that party because of non-use within the required eight-year period under Section 6.b., that party shall have a first right to such portion of the available water that will avoid such loss.

d. The water furnished by the District under this Agreement shall be used or furnished by the City only for domestic, municipal, industrial, irrigation and other beneficial uses. The City shall have no right to sell or transfer any of its entitlement to water from the District under the Agreement, permanently or on interim basis, or to use any of said water outside of the City, without the District's prior approval.

e. The District further agrees that it will, during the term of this Agreement at the City's request, divert from the Mokelumne River at the District's Woodbridge Dam and wheel and convey through the District's canal system to the City's delivery point any non-District water acquired by or available to the City, subject to the District having available capacity for that purpose and subject to the City paying a per-acre-foot charge in an amount which the District determines to be its costs for such service. The District's cost for such service in year 2007 would be \$20 per acre-foot. There would be no wheeling charge for District water in the event the City purchases some of the District water that is under the purchase contract of the City of Lodi.

f. Commencing on January 1 of 2010, and on January 1 of each year thereafter, the amounts payable to the District under paragraph 1, and the amounts payable to the District under subparagraphs 2.b. and 2.e., shall be increased by two percent per year above the amounts payable during the preceding calendar year. In the event that the annual change in the Consumer Price Index (CPI-W, unadjusted U.S. average) published in December of each year by the United

States Bureau of Labor Statistics, commencing in December of the preceding year, has increased more than two (2) percent above the December Index of the prior year, the increases in the amounts payable in the ensuing year shall be in the percentage of that increase; provided that any such annual increase shall not exceed five percent (5%).

g. The payments by the City to the District under this Agreement shall be deemed to include the payment during the term of the Agreement of all District groundwater recharge fees on parcels within the City of Stockton which are also located within the boundary of the District.

3. Term of Agreement and Right to Purchase Additional Water.

a. This Agreement shall be effective from the date of execution hereof, and shall remain in effect for a term of forty (40) years from said date.

b. Upon receipt by the District of written notice and request for renewal from the City at least two years in advance of the termination of the Agreement, the District agrees to negotiate with the City for a renewal of this Agreement for an additional forty (40) year term, on terms and conditions that are reasonable and equitable and which are satisfactory to the District.

c. Right to Purchase Additional Water. The City shall have the further right during the initial term of this Agreement to buy up to an additional 6,500 acre-feet of water from the District based upon the annexation of additional lands within the District to the City of Stockton after the completion and commencement of operation of the initial phase of the City's Delta Water Treatment Plant, and which as a result of such annexation will be taken out of agricultural production, as follows. For each acre of land so annexed after such date which is now zoned agricultural and which has been irrigated with District water:

- and for which a tentative subdivision map is approved for such acreage for use other than agriculture,
- and which is to be served a water supply by the utility water system now serving lands within City of Stockton,

the City will be entitled to purchase an additional 3.0 acre-feet of water per such acre from the District, on the same terms and subject to the same conditions herein applicable to the 6,500 acre-feet under this Agreement.

4. City Payments to be Made from City's Water System Revenues. The City shall make payments under this Agreement solely from the Revenues of the Stockton Municipal Water System. The City hereby pledges the Revenues to the payments required hereunder. Nothing herein shall be construed as prohibiting the City from using any other funds and revenues for purposes of satisfying any provisions of this Agreement. So long as the City is in compliance with all of its obligations hereunder, such pledge shall not prevent its application of Revenues to other operating expenses of the Stockton Municipal Water System or, subject to the payment of such operating expenses, to other lawful purposes, or impair the rights of any recipient of Revenues lawfully so applied. District agrees that it will subordinate the pledge of Revenues hereunder to any bond or bonds issued for the purpose of financing capital improvements to the

City's Municipal Water System for a period not to exceed three years from the effective date of this Agreement.

"Revenues" means "all gross income and revenue received or receivable by the City from the ownership and operation of the Stockton Municipal Water System, which gross income and revenue shall be calculated in accordance with generally accepted accounting principles, including all rates, fees, and charges received by the City for water service and connection and hook-up fees and all other income and revenue howsoever derived by the City from the ownership and operation of or arising from the Stockton Municipal Water System, but excluding in all cases any proceeds or taxes and any refundable deposits made to establish credit, federal or state grants, or advances or contributions in aid of construction."

"Stockton Municipal Water System" means "the municipal water system of the City existing on the effective date of this Agreement and all additions, betterments, extensions and improvements thereto hereafter acquired or constructed."

5. No Permanent Water Right, and Dry Year Curtailments. The District has determined that the water to be made available annually for delivery to the District pursuant to this Agreement will be surplus to the needs of the District during the term of this Agreement. The parties further agree that no permanent right to the water supplied by the District shall accrue to the City except pursuant to and as limited by the terms of this Agreement.

a. The District agrees that it will deliver up to 6,500 acre-feet per annum to the City under this Agreement except in years when forecasted runoffs in the Mokelumne Watershed by DWR and EBMUD, beginning with the February 1 forecast by DWR and EBMUD indicates that the inflow to Pardee Reservoir as of July 1 may be less than a total quantity of 375,000 acre-feet (in which case the District's Regulated Base Supply of 60,000 acre feet under its Agreements with East Bay Municipal Utility District is reduced by thirty-five percent (35%)). In such years, the District may reduce the amount of water to be provided under this Agreement by up to fifty percent (50%), as follows. Beginning in March and in each ensuing month through July when the forecasts in those months continue to indicate that the July 1 inflow may be less than 375,000 acre-feet, the District may reduce the amount of water to be provided during those months under paragraph 2.a. by up to fifty percent (50%). In the event that any ensuing monthly forecast indicates that the estimated July 1 inflow will not be less than 375,000 acre-feet, City will be entitled to have the amount of its delivery under paragraph 2.a. for that month. The remainder of any undelivered amount under paragraph 2.a., by reason of the curtailments for that year shall be included as makeup deficiency water under paragraph 6.a. unless it was delivered later in that deficiency year. There shall be no reduction in the amount of the City's annual payment to the District in such years under paragraph 1.

b. The City shall have no claim for damages for breach arising from the unavailability of water from the District or for the District's inability to deliver water to the City due to failure of facilities, intervening acts, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce or modify operations and quantities of water otherwise available to District, and any legal action, legislation, ruling or determination adverse to the

District affecting the agreement and beyond the reasonable control of the District. District shall make good faith efforts to vigorously oppose such reductions.

6. Carryover of Entitlements. Unused water may not be carried over by the City from year to year except that the right to receive water may be “banked” for later use, as follows:

a. For each calendar quarter beginning January 1, 2010 in which payments to District are made under paragraph 1 of this Agreement but in which the City is unable to take water deliveries under the Agreement because the commencement of operations of the initial phase of the City’s DWSP has not begun, the City may carry over and have credit for one-fourth of its annual water entitlement, not to exceed a total of 13,000 acre-feet. The District will make this water available for later delivery during the initial 40-year term of this Agreement, not to exceed 2,000 acre-feet per year, at such times as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

b. If delivery of water to the City is curtailed by District’s maintenance or other District activities or by reason of a dry year condition as provided in paragraph 5.a. and is not used later in that year, then the City may carry over and have credit for the amount of such curtailment for later delivery at such time(s) as the District has extra water available as determined solely by the District. Any City credits for curtailed segments of carryover water shall expire at the end of eight (8) years from the end of the period in which the curtailment for the segment of curtailed water occurred. Such credits for the delivery of curtailed carryover water which accrue less than eight years immediately preceding the termination date of this Agreement, may extend beyond the termination of this Agreement and be utilized within eight years from the year of their accrual at such time(s) as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

c. The determination of whether any such banked water or curtailment water is available for delivery shall be made solely by the District, and shall be taken by the City in the years that the District determines that it is available, at the times and in the amounts determined by the District after consulting with the City on the times and amounts that is most convenient to the City.

d. In the event that both the City of Stockton and the City of Lodi request water banked to their respective credits during the same period(s) that the water is available for delivery, the water shall be apportioned between them if necessary in the manner and times that they shall agree upon. In the event they do not agree, the available water shall be apportioned between them 50/50 by the District, or one-half to each; provided that, if such apportionment would result in either party losing any deficiency curtailment water banked to the credit of that party because of non-use within the required eight-year period under Section 6.b above, that party shall have a first right to such portion of the available water that will avoid such loss.

e. Except as provided in subparagraph a, no credits shall accrue for water that is available to but is unused by the City.

7. Water Quality, Temporary Interruptions, and Responsibility for the Water Beyond Point of Delivery.

a. The water being supplied to the City is raw water diverted from the Mokelumne River, and the character or quality of the water furnished hereunder may vary from time to time. District does not guarantee in any respect the character or quality of the water furnished pursuant to this Agreement, provided that the District shall not apply or use any chemicals within the Canal section used to deliver water to the City that the City determines to be deleterious to the quality of the water for the uses made by the City of such water.

b. It is agreed that there may be, in addition to shortages of water, temporary discontinuance or reduction of water to be furnished for the City as herein provided, for purposes of investigation, inspection, maintenance, repair or replacement as may be necessary of any of the facilities used by the District for furnishing water to the City. The District agrees to provide the City notice of such temporary discontinuance or reduction of water as soon as such information is available to the District.

c. The City shall hold the District harmless from and defend the District from all claims or expenses on account of damage or claim of damage of any nature whatsoever from which there is legal responsibility, including property damage, personal injury or death, arising out of or connected with the delivery, control, carriage, handing, use, or disposal or distribution of water furnished hereunder beyond the point of delivery of water into the City's system from the District's Canal System.

8. Arrearage in Payments. No water shall be furnished to the City during any period in which the City may be in arrears in payment of charges accruing hereunder after the determination on the amount thereof as above provided. Interest on arrearage in payment shall be charges at a rate of 1-1/2% per month and compounded monthly, commencing 45 days after the due date of the payment.

9. Assignment. The provisions of this contract shall apply to and bind the successors and assigns of the respective parties hereto; but no assignment or transfer of this contract or any part thereof or interest therein by the City shall be valid unless and until approved in writing by the District; and no assignment of the obligation to provide or deliver the water shall be assignable by the District without the consent of the City.

10. CEQA and Validation of Agreement.

a. The parties agree that the District will be Lead Agency for purposes of compliance with any requirements of the California Environmental Quality Act pertaining to the execution of this Agreement by each party. District and City acknowledge and agree that the obligations of the parties under this Agreement are conditioned on District and City completing, proceedings under CEQA in connection with the Agreement and the expiration of the applicable period for any challenge to the adequacy of District's and City's compliance with CEQA without any challenge being filed. District and City shall select a qualified environmental consultant acceptable to both to prepare the underlying documentation for District's review and

consideration as may be required by CEQA and applicable law. City shall direct the qualified environmental consultant and both City and the environmental consultant shall coordinate the preparation of the environmental analysis with District to ensure an adequate and complete consideration of potential environmental impacts. Any documentation submitted by City shall be sufficient for District to make a fair decision in accordance with applicable law. Neither party shall be bound hereby unless and until District's compliance with CEQA is completed and there is no possibility of a challenge pursuant to CEQA. The obligations of each party shall be conditioned upon the result of CEQA compliance not imposing any obligations or conditions upon that party's performance that are unacceptable to that party. District and City acknowledge that any modifications to the proposed project resulting from District's compliance with CEQA may necessitate amendments to this Agreement in a mutually acceptable manner.

b. A validation action may be brought to determine the validity of this agreement pursuant to Section 22670 of the Water Code and Sections 860 et seq of the Code of Civil Procedure, within the 60-day time limit of Section 860. In the event any such action is brought, then the agreement and the parties' obligations hereunder shall be conditioned upon the entry of a judgment affirming the validity of the agreement. In the event the validation judgment contains conditions or restrictions which impose upon either party costs, requirements, obligations or limitations in their performance of the agreement or upon their operations or property interests which were not reasonably anticipated by that party as a consequence of this Agreement and which are in that party's judgment unacceptable or otherwise not in the best interests of that party, that party shall have the right to terminate this Agreement, and in that event neither party shall have any further liability or obligation to the other party hereunder.

11. Fees and Costs. Any fees, costs or expenses, including attorney fees, administrative costs, and consultant fees, incurred by the District to effect the sale of water to the City, together with CEQA and any other regulatory approval, shall be paid by District and City on a 50/50 basis. The City shall not be required to contribute to any fees or costs incurred by District relating to other issues or disputes that may arise in any of said proceedings not directly relating to City's use of District water. District shall provide to City invoices and accountings of said fees and expenses on a quarterly basis.

12. City Use of District Rights of Way. The District agrees to cooperate with City and to agree to the City's use of any District right of way along the District's Canal System needed by the City for the conveyance or distribution of water it obtains from the District. Nothing herein warrants or guarantees that the District has the ability or authority to allow such use under its interest in its rights of way.

13. Entire Agreement. This Agreement contains the full and entire Agreement of the parties and there are no other conditions, either explicit or implied, nor any warranties or promises other than those contained within the written terms of this Agreement.

14. Time of the Essence. Time is of the essence in the performance of this Agreement.

15. Nonwaiver. The failure of either party to enforce or abide by a term or condition of this Agreement shall not constitute a waiver of that term or condition unless a written Agreement

is prepared specifically providing for the waiver or forgiveness of that term and such Agreement is executed by each party hereto.

16. Date of Execution. The date of execution of this Agreement is the date of execution by the party last signing the Agreement. City shall execute this Agreement within sixty (60) days after its approval for execution by the District, and upon City's failure to do so, District shall not be obligated to enter into this Agreement.

17. Lodi's Prior Rights. City acknowledges that District has an existing Agreement with the City of Lodi dated May 13, 2003, to sell 6,000 acre-feet of water per annum to Lodi, and the City acknowledges the receipt of said Agreement, as amended on _____. City further acknowledges that by reason thereof, this Agreement to sell such water to the City of Stockton and the providing of water to Stockton hereunder is subordinate to the District's obligations to deliver such amount of water to Lodi under the Lodi Agreement as set forth in Section 4(c) of the Lodi Agreement, as amended. The District has offered the additional 6,500 acre-feet of water to be sold to Stockton, and Lodi has declined to exercise its right of first refusal to purchase the additional water.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the _____ day of _____, 2008.

WOODBIDGE IRRIGATION DISTRICT

By _____
William Stokes, President

Attest:

Andrus Christensen, Secretary

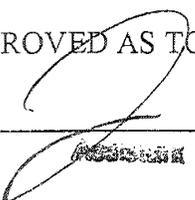
CITY OF STOCKTON, A MUNICIPAL CORPORATION

By _____
, Mayor

Attest:

, City Clerk

APPROVED AS TO FORM:



, City Attorney

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$49,000, WITH THE WOODBRIDGE IRRIGATION DISTRICT FOR ENVIRONMENTAL STUDIES IN SUPPORT OF THE WATER PURCHASE AGREEMENT

The City of Stockton and Woodbridge Irrigation District entered into a water purchase agreement on January 22, 2008, for 6,500 acre-feet of Mokelumne River water for the Delta Water Supply Project; and

The water purchase agreement stipulates that the City of Stockton and Woodbridge Irrigation District would share the cost of environmental studies pursuant to the California Environmental Quality Act; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Reimbursement Agreement between the City of Stockton and the Woodbridge Irrigation District for environmental studies is hereby approved.
2. The City Manager is hereby authorized to execute the Reimbursement Agreement for environmental studies, which is attached hereto as Exhibit "A" and incorporated herein by reference.
3. The City Manager is hereby authorized to take such other actions as are appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED FEB 24 2009.

Ann Johnston

ANN JOHNSTON
Mayor of the City of Stockton

ATTEST:

[Handwritten signature]
KATHERINE GONG MEISSNER
City Clerk of the City of Stockton



\\ODMA\GRPWISE\GOS\MUD\MUD_LIBRARY\130252.1

City Atty: *[Signature]*
Review
Date February 17, 2009

**CITY OF STOCKTON AND WOODBRIDGE IRRIGATION DISTRICT
ENVIRONMENTAL STUDIES REIMBURSEMENT AGREEMENT**

This City of Stockton and Woodbridge Irrigation District environmental studies reimbursement agreement ("Reimbursement Agreement") is made and entered into on _____, 2009 by and between the City of Stockton, a municipal corporation, referred to as "CITY," and the Woodbridge Irrigation District, referred to as "DISTRICT."

RECITALS

CITY and DISTRICT entered into a 40-year water purchase agreement on January 22, 2008; and

CITY and DISTRICT are obligated to share in the cost of the California Environmental Quality Act studies on a 50/50 basis; and

DISTRICT entered into a Professional Services Agreement with Environmental Science Associates (ESA) on June 17, 2008 as shown as Exhibit A; and

DISTRICT and ESA modified the Professional Service Agreement on January 7, 2009, for additional fisheries analysis, as shown as Exhibit B; and

CITY acknowledges ESA's Professional Services Agreement, as modified, will properly analyze the environmental affects of this water purchase agreement; and

TERMS AND CONDITIONS

In consideration of these premises and the mutual promises contained herein, the parties hereto agree as follows:

1. **RECITALS:** Each of the parties hereto represents and warrants each to the other, that the above recitals are true and correct.

2. **PREPARATION AND APPROVAL OF ENVIRONMENTAL DOCUMENTATION:** DISTRICT shall cause to be prepared, through the services of ESA, an Initial Study and other related California Environmental Quality Act compliance consulting services to support the water purchase agreement to the satisfaction of the DISTRICT and the CITY.

3. **REIMBURSEMENT:**

3.1 Obligation. Subject to the limitations set forth in Section 4 below, CITY agrees to reimburse DISTRICT for 50% of all direct costs incurred in the preparation and approval of the environmental studies. However, eligible reimbursement costs shall not exceed the Total Estimated Reimbursement amount without prior approval of the City Manager or City Council.

3.2 Documentation. DISTRICT shall provide documentation substantiating the direct costs of the studies to the CITY. There shall be a presumption of reasonableness as to costs incurred pursuant to, and in accordance with the Contract.

4. **Changes.** In the event that the DISTRICT orders any change in the scope of work, the cost of such change shall, notwithstanding the fact that the addition of such cost will cause the total cost of the work to exceed the approved contractual amount, be added to the amount approved for reimbursement, so long as such total reimbursement amount remains less than the Total Estimated Reimbursement amount approved by City Council. If the addition of such costs would cause the direct costs to exceed the approved Total Estimated Reimbursement, the DISTRICT shall notify the CITY in advance and prior to approval of the City Manager or City Council as appropriate, prior to giving ESA an order to proceed with the change. If any change in the scope of work results in a reduction in costs, the approved reimbursement amount shall be correspondingly reduced.

5. **REIMBURSEMENT PROCEDURES:** Subject to the limitations set forth in Sections 3 and 4, DISTRICT shall be reimbursed on a monthly basis for costs incurred. DISTRICT shall submit an invoice to CITY by the fifteenth (15th) of each month for costs and fees paid by DISTRICT through end of the previous calendar month. All invoices shall be supported by invoices from ESA. CITY shall review the submitted material and if there are no disputed items, shall have until the fifteenth (15th) day of the following month to pay DISTRICT the amounts not in dispute. If disputed items exist, CITY shall have an additional thirty (30) days to review the resubmitted material from DISTRICT (as well as additional material reasonably requested by CITY to substantiate requested reimbursement amounts) and pay DISTRICT the amounts CITY determines are warranted. The final payment for the work shall be paid to DISTRICT upon acceptance of the work by CITY.

6. **CITY COUNCIL APPROVAL:** This Agreement is subject to the approval of the City Council of the City of Stockton, and shall not be effective unless and until such approval has been obtained.

7. **AUDIT:** CITY or its designee shall have the right, during normal business hours and upon reasonable notice to DISTRICT, to inspect and copy all books, records, accounts and other material of DISTRICT pertaining to costs and expenses incurred by DISTRICT for the work. DISTRICT further agrees to maintain such records for a period of three (3) years after final payment under this Reimbursement Agreement.
8. **ATTORNEY FEES & COSTS:** In the event of the bringing of an action or suit by either party against the other arising out of this Reimbursement Agreement the prevailing party shall be entitled to recover from the other part its reasonable attorneys fees (including in-house attorneys) and costs of suit.
9. **NOTICES:** All notices required shall be in writing, and delivered in person or sent by United States mail, postage prepaid.

Notices to CITY shall be addressed as follows:

City of Stockton
Municipal Utilities Department
Attn: Mark Madison
2500 Navy Drive
Stockton CA, 95206

Notices to DISTRICT shall be addressed as follows:

Woodbridge Irrigation District
Attn: Anders Christensen, General Manager
18777 N. Lower Sacramento Road
Woodbridge, CA 95258

Provided that any party may change such address by notice in writing to the other party and, thereafter, notices shall be addressed and transmitted to the new address.

10. **SEVERABILITY:** If any part of this Reimbursement Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Reimbursement Agreement shall be given effect to the fullest extent reasonably possible.
11. **APPLICABLE LAW:** The provisions of this Reimbursement Agreement and any and all disputes arising there from shall be governed by the laws of the State of California.
12. **SUCCESSORS & ASSIGNS:** This Reimbursement Agreement shall bind and inure to the benefit of the parties and their respective successors, heirs, executors, administrators and assigns.
13. **INTEGRATION CLAUSE:** This Reimbursement Agreement represents the



8950 Cal Centre
Building 3, Suite
Sacramento, CA 95826
916.564.4500 phone
916.564.4501 fax

Exhibit A

June 17, 2008

Andy Christensen
General Manager
Woodbridge Irrigation District
18777 N. Lower Sacramento Road
Woodbridge, CA, 95258

Robert Granberg
Deputy Director Water Resources
City of Stockton Municipal Utilities Department
2500 Navy Drive
Stockton, CA, 95206

Subject: Second Revised Proposal for the Woodbridge Irrigation District-City of Stockton Municipal Utilities Department Water Transfer Project to include an Initial Study and other related CEQA Compliance Consulting Services.

Dear Mr. Christensen:

Environmental Science Associates (ESA) is pleased to submit our second revised proposal to provide environmental consulting services for the Woodbridge Irrigation District (WID) - City of Stockton Municipal Utilities Department (City MUD) Water Transfer Project, to include preparation of an Initial Study and related CEQA compliance activities. We have updated the proposal as requested by your legal team. The revised proposal includes all changes proposed by the WID legal team through June 9th, 2008. As requested, we have left the proposed fisheries analysis as optional. We have also added other changes, including updates to the timeframe for deliverables, incorporating additional time for response to EBMUD comments on the administrative draft IS (Task 4), and modification of the description of the Biological Resources Analysis to specifically call out fisheries (Task 3). We would like to thank you for your input, and look forward to commencing our analysis in support of the proposed water transfer.

Thank You,

Leslie Moulton
Vice President
Director - ESA Water

Robert Eckard
Senior Associate
ESA Water

PROPOSAL CONTENTS

Woodbridge Irrigation District City of Stockton Municipal Utilities Department - Water Transfer Initial Study

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Table 1. Labor Detail and Expense Summary

Table 2. ESA Non-Labor Expenses

Environmental Science Associates Professional Services Agreement

www.esassoc.com

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 17th day of June, 2008, by and between Environmental Science Associates (hereinafter ESA), a California corporation and Woodbridge Irrigation District ("Client"). In consideration of the undertakings and agreements hereinafter set forth, the parties agree as follows:

1. Services

The specific professional services ("Services") to be performed by ESA on behalf of Client are described in the attached proposal dated June 17, 2008 attached to this Agreement as Exhibit A ("Proposal"). Client and ESA may amend the services only by written Change Order executed by both parties. All Services authorized by Change Order referencing this Agreement shall be subject to the terms of this Agreement except as otherwise modified in writing by mutual consent. ESA reserves the right to refuse to accept any proposed Change Order tendered by Client. Any schedule requirements applicable to ESA's Services shall be set forth in Exhibit A or any Change Order. The Services in Exhibit A and the budget for those Services reflect ESA's best professional judgment and are based on the information provided by Client concerning the proposed Project's nature and location as appropriate, ESA's knowledge of and experience with the public agencies likely to become involved; the environmental sensitivity of the Property; and the extent of likely controversy concerning the Project. For Services relating to a document required by CEQA or NEPA, Client understands that the precise requirements for legal adequacy are not defined in the California statute or CEQA Guidelines or in the Code of Federal Regulations and are subject to the judgment and interpretation of public officials and the courts. Client understands that ESA cannot provide a guarantee of the maximum cost and time required to complete the Services called for under this Agreement due to circumstances beyond our control. ESA cannot provide a guarantee that any proposed project that is the subject of the services to be required pursuant to this Agreement will be approved or permitted. ESA's obligations to perform the Services are specifically subject to the issuance of all permits, licenses, approvals or other documents required to enable ESA to perform the Services.

2. Compensation for Services

The method of payment by Client, whether on a firm fixed price, a time and materials basis or cost plus fixed fee, together with the applicable rate schedule shall be set forth in Exhibit B or any Change Order agreed to by ESA and Client. Client agrees to pay all sales, use, excise, gross receipts or other taxes, imposed upon the services rendered by ESA; any taxes shall be added to the total compensation due ESA. Where the method of payment is on a time and materials basis, ESA shall upon request, furnish to Client a proposed budget for the Services specified. ESA shall not invoice Client for amounts in excess of the specified budget without first obtaining Client's authorization by letter or email. However Client acknowledges that notwithstanding any contrary language, ESA's budget shall not be construed as a "guaranteed maximum price" to perform the described Services.

3. Invoices and Payments

(a) Invoices shall be submitted periodically. Any unpaid balances shall draw interest at one and one-half percent (1 1/2%) per month or the highest rate allowed by law, whichever is lower, commencing thirty (30) days after date of invoice. All invoices not contested in writing within fifteen (15) business days of receipt are deemed accepted by Client as true and accurate and Client thereafter waives any objection to Client's invoices which are payable in full.

(b) When the method of payment is on a fixed price or lump sum basis, the monthly invoices shall be for the percent of the total fixed price that corresponds with the estimated percent of work completed (technical percent complete) during the prior month, less previous billings.

(c) When the method of payment is other than fixed price or lump sum (e.g., time and materials, cost plus fixed fee), invoices shall provide the following information: (i) total number of hours worked in performing the Services, (ii) total labor costs, and (iii) listing of reimbursable expenses itemized by type of charge. Any additional documentation required, or time and materials spent compiling information beyond that

supplied by the invoice, are considered additional effort and will be billed to Client.

(d) All payments should be remitted to the address indicated in the invoice.

4. Term

This Agreement shall become effective as of the date executed by both parties below and the initial term shall be for the period of performance only; unless otherwise extended in writing.

5. Compliance with Laws and Professional Standards

ESA shall perform the Services in accordance with prevailing professional standards and ethics, and in compliance with valid and applicable governmental laws, rules and regulations. If ESA believes that compliance with Client's directions could violate applicable professional standards or ethics, or applicable governmental laws, rules or regulations, then ESA shall so advise Client. Client and ESA shall immediately enter into discussions to arrive at a mutually satisfactory solution. Failing a solution, either party may terminate this Agreement in accordance with Paragraph 16.

6. Standard of Care

The Services will be performed on behalf of and solely for the exclusive use of Client and for no others **except where Federal or state law mandates oversight by a Federal or state agency.** The Services performed by ESA shall be conducted in a manner consistent with generally accepted environmental principles and practices utilized by competent environmental firms in the same locale acting under similar circumstances and conditions at the time services are rendered. EXCEPT AS SET FORTH HEREIN, ESA MAKES NO OTHER REPRESENTATION, GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WHETHER OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, CONCERNING ANY OF THE SERVICES WHICH MAY BE FURNISHED BY ESA TO CLIENT.

7. Deliverables

All deliverables, including, but not limited to, any and all reports, drawings, plans, designs and specifications prepared by ESA hereunder shall become Client's property upon final payment for ESA's Services. ESA shall retain copies of all deliverables for its files. Except in the case of a program EIR or master or a programmatic EIS or unless expressly stated by ESA to the contrary, Client acknowledges that such deliverables are not intended or represented to be

suitable for reuse by Client or others on any extension of the project or on any other project. Reuse of the deliverables by Client or third parties without the opportunity for adaptation by ESA and absent ESA's written consent, shall be at the Client's sole risk.

8. ESA Insurance

ESA shall maintain, during the term of this Agreement, at least the following insurance coverage:

<u>Coverage</u>	<u>Limits</u>
(a) Worker's Compensation Coverage A	Statutory
(b) Employer's Liability Coverage B	\$100,000
(c) Commercial General Liability	\$1,000,000 each occurrence
(d) Comprehensive Automobile Liability (Combined single limit)	\$1,000,000 each occurrence
(e) Professional Liability	\$1,000,000 per claim \$1,000,000 aggregate

Insurance described in (c) and (d) shall list Client as an additional insured. All insurance coverage described above shall provide for 30 days prior notice to Client of cancellation in coverage. Certificates of insurance evidencing insurance required under this Paragraph will be provided at the request of Client.

Upon request, ESA shall furnish copies of insurance certificates evidencing that it maintains at least the above insurance coverage.

9. Limitation of ESA's Liability to Client

ESA and Client have discussed the risks and rewards associated with this project as well as ESA's fee for services. ESA and Client agree to allocate certain of the risks so that, to the fullest extent permitted by law, except for circumstances caused by the willful misconduct of or negligent performance of its duties by ESA or for bodily injuries and damage to property referred to in paragraph 10, all claims for damages of any kind arising out of the Services furnished under this Agreement and any Change Orders to this Agreement, including attorneys fees and costs, asserted against ESA, by Client, Client's members, Client's architects, Client's contractors, subcontractors, engineers and agents,

including claims against ESA's directors, officers, shareholders, employees and agents, are limited to the greater of (i) \$50,000; or (ii) the total invoiced dollar value of the Services provided by ESA under this Agreement. ESA is not responsible for any special, incidental, indirect or consequential damages (including loss of profits) incurred by Client as a result of ESA's performance or nonperformance of Services. In such cases Client agrees to defend and indemnify ESA against any claim, demand or lawsuit by any third party for damages in excess of the amount set forth in this **LIMITATION OF ESA's LIABILITY TO CLIENT** provision.

10. ESA's Indemnification of Client

ESA shall indemnify and hold harmless Client and its directors, officers, employees and agents from and against any and all losses, damages, claims, liability, and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees) which any or all of them may hereafter incur, be responsible for or pay out as a result of bodily injuries (including death) to any person, or damage (including loss of use) to any property (public or private), or contamination of or adverse effects on the environment, to the extent caused by (i) the negligent acts, negligent omissions or willful misconduct of ESA in the performance of the Services; or (ii) ESA's breach of this Agreement.

11. Client's Indemnification of ESA

Client shall defend, indemnify and hold harmless ESA and its shareholders, directors, officers, employees and agents from and against any and all losses, damages, claims, liability and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees) which any or all of them may hereafter incur, be responsible for or pay out as a result of bodily injuries (including death) to any person, or damage (including loss of use) to any property (public or private), or contamination of or adverse effects on the environment, arising out of or which are connected with (i) the negligent acts negligent omissions or willful misconduct of Client or Client's employees, agents, contractors or subcontractors; (ii) Client's breach of this Agreement.

12. Required Disclosures by Client

(a) Client shall provide ESA all information that is known or readily accessible to Client, which may be reasonable and/or necessary for completion of the Services by ESA.

(b) Prior to the commencement of the Services on a Project, or at any time thereafter when new information becomes available to Client, Client will provide prompt, full and complete disclosure to ESA of known or potential hazardous conditions or risks to the health or safety of ESA's employees, agents and subcontractors that may be encountered at the Project site or in connection with the performance of the Services.

13. Modifications to Work

Client or ESA may request modifications or changes in the scope of Services to be performed under a Change Order. Any changes that are mutually agreed upon shall be incorporated into a written modification to the Change Order signed by both ESA and Client.

14. Force Majeure

Neither the Client nor ESA shall hold the other responsible for damages or delays in performance caused by Force Majeure or other events beyond the control of the other party and that could not reasonably have been anticipated or prevented. For purposes of this Agreement, Force Majeure shall include, but not necessarily be limited to, adverse weather conditions, floods, war, riot, civil unrest, strikes, lockouts and other industrial disturbances; unknown site conditions, accidents, sabotage, fire, loss of permits, failure to obtain permits; court orders; acts of God; acts, orders, laws or regulations of any governmental agency. Should such acts or events occur, the parties to this Agreement shall mutually agree on the terms and conditions upon which the Services may be continued. Failing achievement of such an agreement, either party may terminate this Agreement in accordance with Paragraph 16.

15. Project Delays

If ESA is delayed at any time in the progress of the Services for any specific activity under a Change Order (i) by an act, failure to act, or neglect of Client or Client's employees or any other party, (ii) by changes in the scope of Services, or (iii) by delay authorized by Client and agreed to by ESA; then the time for completion shall be extended and an equitable adjustment made to the compensation if delays caused by any of the above events result in additional costs to ESA. Failing achievement of such a revision, ESA may terminate this Agreement in accordance with Paragraph 16.

16. Termination

(a) This Agreement may be terminated by either party upon thirty (30) days written notice (i) should the

other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the terminating party; or (ii) whenever the right to terminate is otherwise provided in this Agreement.

(b) If Client fails to make payment to ESA for the Services, ESA may, upon fourteen (14) days written notice to Client, suspend performance of the Services under this Agreement. In the event of suspension of the Services, ESA shall have no liability to Client for delay or damage incurred by Client because of such suspension of the Services.

(c) Irrespective of which party shall effect termination or the cause therefore, Client shall, within thirty (30) days of termination, compensate ESA for Services performed and for costs incurred up to the time of termination, as well as those associated with termination and post-termination activities, such as demobilization, modifying schedules, reassigning personnel.

17. Legal Proceedings

(a) In the event that legal action is brought by either party against the other, the successful party shall be entitled to recover, as part of its damages, its reasonable legal costs and expenses for bringing and maintaining any such action.

(b) Client shall be responsible for and pay ESA at its prevailing rates for all time spent by ESA employees in connection with any court, administrative or other legal proceedings with a third party, arising from or relating to Services provided under this Agreement, regardless of whether or not ESA is subpoenaed to appear at such proceedings by Client or any third party.

18. Site Access and Control

Client grants to ESA the right of entry to the Project site by ESA, its employees, agents and subcontractors, to perform the Services. If Client does not own the Project site, Client warrants and represents to ESA that Client has the authority and permission of the owner and occupant of the Project site to grant this right of entry to ESA.

19. Information Provided by Client

ESA shall indicate to Client the information needed for rendering the Services described in each Work Order. To the extent that ESA is required to rely solely upon information provided by client, without the opportunity for ESA to appropriately validate the accuracy and reliability of such information, Client agrees to waive any claim against ESA and to indemnify and hold harmless ESA from and against any and all claims, damages, losses, liability, and expenses, including

attorney's fees, that may arise from errors, omissions or inaccuracies in existing information provided to ESA by Client or others.

20. Client Representative

Client shall designate in each Work Order a person to act as Client's representative with respect to the Services to be performed under that Work Order. Such person shall have complete authority to transmit instructions, receive information, interpret and define Client's policies and decisions with respect to ESA's Services for the Project.

21. Independent Contractor

ESA shall have the status of an independent contractor, not that of an agent or employee. ESA shall be solely responsible for the compensation, benefits, contributions and taxes, if any, of its employees, agents and subcontractors.

22. Entire Agreement

This Agreement, together with any Exhibits hereto, including but not limited to the following:

Exhibit A Proposal

Exhibit B Time and Materials Compensation Schedule

constitutes the entire understanding and agreement between the parties relating to the Services provided by ESA to Client and supersedes any and all prior agreements, whether written or oral, that may exist between the parties regarding the Services. This Agreement may be amended only by a written instrument signed by each party.

23. Precedence

This Agreement shall take precedence over any inconsistent or contradictory provisions contained in any Client-issued purchase order, requisition, notice to proceed or like document regarding the Services. In the event of a conflict between the terms or conditions of this Agreement and those of any Work Order, the terms and conditions of this Agreement shall control.

24. Governing Law

This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of any other jurisdiction.

25. Assignment, Successors and Assigns

This Agreement shall not be assigned by either party without first obtaining the written consent of the

other party, which consent shall not be unreasonably withheld, provided, however, ESA shall have the right to assign this Agreement to any of its subsidiaries with the consent of the Client. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

26. Survival

All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between Client and ESA shall survive the completion of Services hereunder and the termination of this Agreement.

27. Waiver of Contract Breach

The waiver by one party of any breach of this Agreement, or the failure by one party to enforce at any time, or for any period of time, any of the terms and conditions of this Agreement, shall be limited to the particular instance, shall not operate or be deemed to waive any future breaches of this Agreement and shall not be construed to be a waiver of any other provision, except for the particular instance.

28. Dispute Resolution

If any dispute arises out of or relates to this Agreement, or the breach thereof, then said dispute will first be referred to a panel consisting of at least one representative of ESA and of Client having authority to enter into agreements to settle the dispute. The panel will engage in any conference or discussion deemed

appropriate under the circumstances to arrive at a settlement of the dispute. If the dispute cannot be settled through direct discussions by the panel representatives of the Parties, the Parties agree then to submit the matter to mediation under the Construction Industry Mediation Rules of the American Arbitration Association before having recourse to a judicial forum. No written or oral representation made during the course of any settlement negotiations or mediation shall be deemed a party admission.

In the event mediation fails to resolve the dispute within ninety (90) days or a longer time if agreed to by ESA and Client, ESA and Client agree that the dispute shall be resolved by judicial reference pursuant to the provisions of California Code of Civil Procedure §638-645.1. The cost of the referee shall be borne equally by each party or in such other manner as deemed equitable by the referee. Any referee must be a retired judge and should be experienced in resolving construction disputes. The referee shall be agreed upon the parties within ten (10) days of the demand for judicial reference. In the event the parties cannot agree on the selection of a referee, any party may petition the Superior Court in the County in which the project is located for the appointment of a qualified retired judge as the referee. Unless otherwise agreed by the parties, the reference proceeding shall be held in San Francisco, California.

IN WITNESS THEREOF, the parties hereto have executed this Agreement by their duly authorized agents as of the day and year first above written.

Client: Woodbridge Irrigation Dist.

ENVIRONMENTAL SCIENCE ASSOCIATES

By: [Signature] 7-3-08
(Signature) (Date)

By: [Signature] 7/7/08
(Signature) (Date)

Name: Anders Christensen, Mgr.
(Printed Name)

Name: LESLIE MOUNTAIN
(Printed Name)

Title: Manager/Sec/Treas.

Title: VICED PRESIDENT

SECTION 1

Project Understanding/Scope of Work

Project Understanding

The project is needed to provide additional surface water supply reliability to the City of Stockton and supplement water from the Delta Water Supply Project.

Recent rulings to protect endangered fish in the Sacramento-San Joaquin Delta are anticipated to reduce the amount of water that the City of Stockton Municipal Utilities Department will be able to divert via the Delta Water Supply Project (DWSP). The withdrawal reductions are likely to be enforced during springtime months, constraining the amount of water that could be withdrawn by the City to meet municipal and industrial demand. The DWSP, currently in the design phase, would supply water to meet the following needs:

- To replace declining and unreliable surface water supplies;
- To protect and restore groundwater resources; and
- To provide adequate water supply to accommodate planned growth

Such reductions in the volume of water supplied by the DWSP would represent a loss of available surface water to the City of Stockton, and would interfere with the City's ability to meet the needs outlined above.

In order to supplement its water supply for municipal and industrial use, the City of Stockton Municipal Utilities Department (City MUD) has entered into an Agreement with Woodbridge Irrigation District (WID) to purchase up to 6,500 acre feet per year (AF/y) of Mokelumne River water for a duration of 40 years. The water would be made available to the City MUD under WID's Mokelumne River appropriative water right holdings that date to the late 1880's. Conservation measures occurring within WID, including changes in cropping patterns and conversion to drip irrigation by growers in the District, as well as conversion of land within the WID service area from agricultural to municipal and industrial (M&I) uses, will make available water for transfer.

Under the Agreement, water would be conveyed by WID to the City MUD from March to July via an existing, lined WID canal. The City MUD would then treat the water at the DWSP water treatment plant, currently in design, prior to distribution via existing City facilities.

WID canal improvements to the District's Wilkerson Lateral will be required prior to water delivery, consisting of replacement of the culverts at the Lower Sacramento Road and Armstrong Road crossings, and piping approximately 1000 feet of the lateral along the Kahler Dairy property. Upon completion of such work, the existing canal will deliver water to the DWSP water treatment plant property. An additional pipeline connection from the WID canal point of delivery to the treatment facility will be installed by the City as a portion of this project. Water would be delivered by gravity feed along the entire extent of the canal/conveyance system.

ESA will prepare an Initial Study in accordance with the requirements of the California Environmental Quality Act (CEQA) and identify any potentially significant environmental impacts along with feasible mitigation that can reduce the intensity of such impacts. Given the nature of the project, we anticipate that relatively low levels of impact would result from initial setup of the system and its operation. Consistent with requirements for preparation of an Initial Study, ESA will work with the WID and the City of Stockton to identify and incorporate mitigation measures into the project description to help reduce any adverse impacts associated with the project to less than significant.

Technical Approach

The following discussion presents our technical approach to completing the anticipated scope of work:

Task 1 – Project Kick Off

ESA will review available information including existing environmental and engineering reports, special studies and other pertinent information. ESA will prepare a meeting agenda and attend one kick-off meeting with the WID and the City of Stockton to define roles, contact procedures, scope of work, and tour the project site.

Meeting: One (1) Project Team Kick-off Meeting and Site Visit

Task 2 – Project Description

Based on the information provided by the WID and the City of Stockton, ESA will prepare a Project Description for the Draft Initial Study that meets the requirements of CEQA. As required by CEQA, the Project Description will be complete with the precise location and boundaries of the Proposed Project, a statement of the objectives of the Proposed Project, and a general

description of the Proposed Project's technical, environmental, engineering and/or construction aspects.

Task 3 – Prepare Administrative Draft Initial Study

ESA will prepare an Initial Study that will identify potential environmental impacts and describe measures that could be implemented to avoid or reduce the intensity of each potential impact. As required by CEQA, the Initial Study will address all of the anticipated impacts that may be associated with the Project including:

- Hydrology and Water Quality
- Biological Resources and Fisheries
- Cultural Resources
- Air Quality and Greenhouse Gases
- Climate Change
- Public Health
- Public Services and Utilities
- Transportation Traffic
- Land Use
- Aesthetics
- Geology and Soils
- Hazards and Hazardous Materials
- Noise
- Population, Employment and Housing
- Fisheries Resources (Optional In-Depth Analysis)

For each of the above resource areas, ESA will describe the environmental setting, establish clear impact significance criteria for each issue, and conduct the necessary analyses to determine whether an impact is significant or less than significant. The following paragraphs identify the focused technical work we propose to complete, in seven key areas to insure adequate CEQA compliance. Additionally, a detailed analysis of potential fisheries impacts has been included as an optional issue area, if needed.

Biological Resources and Fisheries

ESA will prepare a Biological Resources Inventory Report to support the Initial Study. ESA will prepare a list of regionally occurring special

status plants and wildlife species based on database searches of the California Natural Diversity Database and the California Native Plant Society Inventory of Rare and Endangered Plants. Our field biologists will conduct a reconnaissance site survey for botanical and wildlife species that may be affected by the proposed project.

Additionally, ESA will address potential impacts to fisheries related to withdrawing water from the lower Mokelumne River. ESA analysts will rely upon existing, available hydrologic and fisheries data and supporting information to predict potential effects of the proposed project on fisheries resources. Optional additional studies of fisheries are provided for under the optional Fisheries Resources task, below.

ESA analysts will then determine potential biological resources and fisheries impacts based on the findings of the Biological Resources Inventory Report and the fisheries analysis. As required, ESA will recommend feasible and applicable mitigation to reduce impact levels.

Hydrology and Water Quality

The analysis of hydrology and water quality will include a detailed description of when and how much water would be conveyed to the City MUD, quality of the source water, effects related to making the water available. ESA analysts will also describe WID's existing Mokelumne River diversion, including diversion rates over the last fifty years, and provide technical details regarding the estimated quality of water that would be delivered to the DWSP treatment plant via the WID transfer.

ESA analysts will assess the significance of potential impacts based on these characterizations. Where necessary, our water quality specialist will recommend feasible mitigation that would reduce the intensity of potential impacts.

Cultural Resources

ESA cultural resources specialists will review existing archaeological and cultural information available in archaeological and cultural resources archives. Information contained in site reports, surveys, and other archival information will be supplemented, as necessary, with contacts with Native Americans and a cursory site reconnaissance. If additional consultation is required, ESA will provide the needed services after revisiting scope, budget, and project schedule. We do not expect that the project will have a significant effect on cultural resources since all

Project activity would be confined to areas within the existing canal footprint.

Air Quality and Greenhouse Gases

The proposed Project would include limited use of heavy machinery to perform the needed canal improvements, including replacement of existing culverts, and potential installation of pipelines. Ongoing use of pumps to move water and other use of motorized equipment during project operations could also be included in the final Project description.

ESA's experienced air quality and greenhouse gas emissions analysts will estimate the potential for increased emissions from project construction and operation. ESA will use applicable laws, policies, and regulations to develop significance criteria to be applied to the impact analysis, and to develop mitigation measures that will reduce air emissions to acceptable levels for the affected jurisdiction.

Climate Change

Emissions of CO₂ and other greenhouse gases during the needed canal improvements and Project operations would potentially contribute to climate change. Potential changes in hydrologic resources due to climate change, including timing of rainfall, flooding frequency and severity, and water supply availability, would potentially affect the proposed Project.

ESA's experienced climate change analysts will use the most current scientific data, research, and policy available to assess both the potential for the proposed Project to contribute to climate change, and the potential effects of climate change on the proposed Project. As applicable and necessary, ESA will determine the significance of these effects and, if needed, provide feasible mitigation measures to reduce their intensity.

Transportation and Traffic

ESA's traffic and transportation experts will investigate potential traffic impacts that would occur during the initial canal improvement procedures. For the reconstruction or replacement of roadway undercrossings and installation of a new pipeline, equipment and heavy trucks will use roads adjacent to active construction sites. Public streets or lanes may be temporarily closed during the installation of these facilities. Construction personnel will travel to and from active maintenance sites on a daily basis, generating additional local traffic.

ESA will determine the significance of the proposed Project effects and, as needed, prepare mitigation measures to reduce the significance of these impacts.

Land Use and Secondary Effects of Growth

The Project would provide an additional potable water supply to the City of Stockton, which could remove a constraint on population growth for the City and result in growth-related environmental effects. Because the Project would supplement water supply shortfalls for Stockton's DWSP project, we anticipate that secondary effects of population growth and changes in land use will have been previously addressed by the DWSP EIR. ESA therefore anticipates incorporating DWSP EIR analyses for land use and growth effects into the CEQA documentation for this Project.

Fisheries Resources (Optional Analysis)

In the event that fisheries issues and potential fisheries impacts become evident for the proposed Project, ESA will include an optional fisheries analysis. In consultation with WID, ESA will retain a qualified fisheries expert to provide an analysis of the potential impacts of the proposed project on fisheries resources. If needed, this optional analysis will require an amendment to this scope and budget.

Deliverables: Administrative Draft Initial Study: five (5) hard copies, and two (2) CD copies

Meeting: One (1) Conference Call with the WID and the City of Stockton to discuss approach to analysis

Task 4 – Finalize Initial Study

One meeting will be held with WID, City of Stockton staff, and EBMUD, to review comments on the Administrative Draft Initial Study. ESA will incorporate the necessary revisions into the document, including

incorporating comments from EBMUD, as directed by WID. ESA will then prepare the finalized version of the Initial Study.

Deliverables: Final Initial Study: Five (5) hard copies, and two (2) CD copies

Meeting: one (1) Meeting with WID and City of Stockton Staff

Task 5 – Determine Appropriate CEQA Documentation

Upon completion of the final Initial Study and review by the applicant, ESA will attend a meeting with WID and City of Stockton staff to review the findings of the Initial Study. ESA's CEQA specialists will work with WID and the City of Stockton to determine the appropriate level of review and environmental documentation needed to meet CEQA requirements for the proposed Project. ESA will then prepare and submit an amendment to this scope of work to complete the required documentation and CEQA process.

Deliverables: Scope Amendment: Five (5) hard copies, and two (2) CD copies

Meetings: one (1) CEQA Approach Determination Meeting

Task 6 – Project Management

ESA will manage scope, schedule and budget performance and ensure consistency and accuracy in work products.

Team Management and Invoicing

ESA's Project Manager will oversee staff assignments, budget and schedule management and work progress and quality. ESA will submit monthly invoices for work to date. ESA will maintain regular contact with Department staff to coordinate work progress. ESA's Project Director will review all work products and monitor ESA's schedule, budget and scope performance.

Meetings Summary

As described for Tasks 1-5 above, ESA will participate in up to four team meetings or conference calls with WID and City of Stockton staff, consisting of the following:

- Kick off Meeting/Site Visit (1; Task 1)

- Conference call to discuss approach to analysis for Administrative Draft Initial Study (1; Task 3)
- Meeting to review comments on the Administrative Draft Initial Study (1; Task 4)
- CEQA Approach Determination meeting (1; Task 5)

Schedule

Scheduled milestones for the Initial Study and CEQA Approach are shown below.

- Notice to Proceed June, 2008
- Submit Administrative Draft Initial Study August, 2008
- Final Initial Study and Determine CEQA Approach 2008 September,

SECTION 2

Project Team

ESA's Central Valley Water Group

ESA has provided environmental compliance support for water transfers and water right projects throughout California.

ESA's Central Valley Water Group is focused on providing environmental compliance services for water and wastewater resource management and infrastructure projects. For over 38 years, ESA has been a leader in environmental planning and compliance services on complex wastewater and water projects throughout the state. Our team has provided a full range of environmental services from concept to completion for comprehensive master plans as well as specific projects – from water rights, drinking water supply, and water treatment plants to water transfers, pipelines, conveyances, reservoirs, and integrated water management plans. ESA provides planning and alternative screening, CEQA and NEPA, permitting, construction monitoring, mitigation and restoration.

ESA Central Valley Water Group's growing staff of management professionals and senior technical analysts brings an array of water sector and environmental experience and expertise to ensure that your project will progress smoothly through the environmental compliance process. Our group continues to provide environmental support for major water projects including the Stockton Delta Water Supply Project, the San Joaquin Integrated Conjunctive Use Program, and the Los Vaqueros Reservoir Expansion project, and for a wide array of water rights and water transfer support, including the Cawelo Water Transfer, the Zone 7 Tulare Lake Transfer Project, the Freeport Element of the American River Use Strategy, and a Water Right Extension for Carmichael Water District.

Project Team

ESA has assembled a highly qualified team of environmental professionals to provide analysis and support for this water transfer project. Project Manager, Leslie Moulton has over 23 years at ESA directing CEQA compliance for water projects. Deputy Project Manager, Robert Eckard is an experienced CEQA practitioner who has supported technical analyses for water projects across California. Robert will serve as head technical analyst and be supported by a team of technical specialists in cultural and biological resources, air quality, traffic, and land use to address these impact issues.

The project team for the WID-City of Stockton Water Transfer Project is shown in the organizational chart below. The roles and a brief description of project team members follow on the next page. Resumes of all personnel are provided in Appendix A of this proposal.

Leslie Moulton, Director of ESA's Water Group will serve as *Project Manager*. Ms. Moulton will direct the scope of the analysis, ensure schedule and budget performance as well as provide quality assurance/quality control on all deliverables.

Leslie Moulton is the California Practice Group Leader of ESA's Water Group. Leslie has more than 23 years of program management and technical assessment experience on a wide range of water resource management programs as well as expertise in CEQA, NEPA and regulatory compliance relevant to biological and water resources.

Robert Eckard will serve as the *Deputy Project Manager* and *Senior Water Resources Specialist*. Robert will provide the day-to-day management of the project and be responsible for the oversight of the technical impact analysis and document preparation.

Robert has over seven years' experience managing, developing and preparing environmental documentation for water, water development, and other environmental compliance projects. He specializes in hydrologic, riparian, and aquatic resources, is currently completing his dissertation in water quality at the University of California at Davis. His educational background and research have emphasized water quality, hydrology, and water rights in the Central Valley, as well as the effects of climate change on water resources in California.

Erich Fischer will serve as the *Senior Biologist*.

Erich is the Director of Land Management and Biological Resources for ESA's Central Valley/Sierra Region. Erich has conducted biological assessments, permitting, and CEQA documentation for several water and wastewater projects throughout California.

Jack Hutchinson, PE will serve as *Lead Traffic Analyst*. He will manage the research and documentation related to transportation, circulation, and traffic. Jack has 30 years of experience in a wide range of transportation analyses, from planning-level impact analyses to operations and design evaluations. Jack is a registered Traffic Engineer in the State of California and a member of the Institute of Transportation Engineers.

Dr. Mitch Marken, Ph.D. is an *Archaeologist*. He has over 18 years of archaeological and management experience in the environmental field. He has completed environmental compliance training with the Federal Energy Regulatory Commission (FERC), and Section 106 compliance training from the Advisory Council on Historic Preservation. Dr. Marken has worked on various projects for National Environmental Policy Act (NEPA), National Historic Preservation Act and California Environmental Quality Act (CEQA) compliance throughout the United States for the U.S. Coast Guard, the U.S. Army, the U.S. Navy, and the ACOE.

Kathy Anderson is a *Cultural Resources Specialist*. She researches and writes for a variety of ESA projects involving cultural resources work. Her role entails establishing a base historic setting for the respective projects, coordinating the efforts of various cultural resource personnel in the creation of cultural resource documents, and contributing to the evaluation of various historic resources for eligibility for the National Register of Historic Places.

Mark Fogiel is a *Biologist and Plant Ecologist* with expertise in vegetation analysis, rare plant surveys and habitat analysis, and habitat management planning. Mark has prepared numerous wetland delineations and rare plant surveys, conducted planning for land management planning and exotic species removal, and performed GIS analyses for complex constraints and other applications. Mark is well versed with provisions and requirements of the California Environmental Quality Act (CEQA) and has extensive experience in preparation of a variety of CEQA documentation.

Matthew Morales is an *Air Quality and Noise Analyst* who prepares technical analyses for numerous planning and environmental projects related to infrastructure, natural resource management, and facility expansion. Trained in air quality and noise analysis, he is adept at applying noise and air quality models, such as Urban Emissions Model (URBEMIS) and the Federal Highway Administration (FHWA) Traffic Noise Prediction Model, to perform quantitative analyses for sections of National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) documents.

SECTION 3

Points of Contact

ESA's Sacramento office location and contact information is provided below. This office will be the primary point of contact for the Woodbridge Irrigation District and the City of Stockton Municipal Utilities Department throughout the duration of the proposed project.

Environmental Science Associates (ESA)
8950 Cal Center Drive, Building 3, Suite 300
Sacramento, CA, 95826
Phone: (916) 564-4500
Fax: (916) 564-4501

Project Manager: Leslie Moulton (916) 669-4726

Deputy Project Manager: Robert Eckard (916) 669-4745

SECTION 4

Conflict of Interest Statement

ESA is presently working with the City of Stockton MUD for ongoing environmental compliance on the Delta Water Supply Project, is presently preparing the Program EIR for the San Joaquin County Integrated Conjunctive Use Program, and is involved in the initial planning stages of the San Joaquin County's Freeport Element of the American River Use Strategy Project. However, ESA does not anticipate that these existing projects would provide any conflict of interest to this water transfer between WID and the City of Stockton. ESA does not have any current clients who may have a financial interest in the outcome of this project.

SECTION 5

Cost and Assumptions

ESA's proposed cost for completion of a CEQA Initial Study for the WID-Stockton water transfer is \$65,095. This figure includes all items discussed within the Scope of Work, above. **Table 1** and **Table 2** provide a breakdown of ESA's projected costs. Briefly, costs are broken down by task, as defined in the Scope of Work, and by personnel, which includes directors, managers, technical analysts, graphics and GIS, and clerical categories. Project management is addressed in a separate Task 6, while quality control and review by senior staff are included in the time allotted for Tasks 1-6. The summary of expenses included in Table 2 identifies the reimbursable costs that are anticipated for the proposed Project.

The scope, schedule, and cost provisions of this proposal are based upon several assumptions. These assumptions are summarized below to further define the proposed scope of work. ESA recognizes that these assumptions may be subject to change during the course of the proposed study effort. While these changes would not necessarily result in modifications of scope, schedule, or cost, ESA must reserve the right to propose such modifications in the event of changes.

The following assumptions are included in this proposal:

- The performance period for this work extends for four (4) months, from June through September, 2008.
- Issues to be addressed in ESA's proposed deliverables will be limited to those identified by ESA in this proposal. Issues that emerge after the start of work are not included in the attached Scope of Work or Cost for Completion, and would require an additional agreement among ESA, WID, and Stockton.
- There will be no substantive alteration to the project description during the scope of work.
- WID and City MUD staff will cooperate with the consultant team in a timely manner. Work will not be stopped or slowed by the WID, the City MUD, or others outside the study team. Should work be stopped or slowed, ESA will be reimbursed for the costs to date, subject to the proposed task limits on such costs.

- WID and the City MUD staff will review draft documents and provide comments to ESA in a timely manner. WID and the City MUD will also respond to information requests in a timely manner.
- The number of meetings at which ESA staff will be present will not exceed those discussed in the Scope of Work.
- Preparation of printed graphic materials specifically for use at public meetings will be the responsibility of WID and the City MUD.
- One round of administrative draft review is assumed for the proposed Initial Study.
- Preparation of printed materials in excess of those described in the Scope of Work shall be the responsibility of WID and the City MUD.

EXHIBIT A

PROPOSAL DATED JUNE 17, 2007 FOR WOODBRIDGE IRRIGATION DISTRICT

Page A-1

San Francisco	Sacramento	Oakland	Petaluma	Los Angeles	San Diego	Woodland Hills	Portland	Seattle	Tampa
(415) 896-5900	(916) 564-4500	(510) 839-5066	(707) 795-0900	(213) 599-4300	(858) 638-0900	(818) 703-8600	(503) 226-8018	(206) 789-9658	(813) 207-7200

Project No. 20 _____

California Version Revised 6/06

EXHIBIT B

TIME AND MATERIALS COMPENSATION SCHEDULE

Page B-1

San Francisco	Sacramento	Oakland	Petaluma	Los Angeles	San Diego	Woodland Hills	Portland	Seattle	Tampa
(415) 896-5900	(916) 564-4500	(510) 839-5066	(707) 795-0900	(213) 599-4300	(619) 638-0900	(818) 703-8600	(503) 226-8018	(206) 789-9658	(813) 207-7200

Project No. 20 _____

California Version Revised 6/06

EXHIBIT B
TIME AND MATERIALS COMPENSATION SCHEDULE

I. Personnel Category Rates

Charges will be made at the Category rates set forth below for time spent on project management, consultation or meetings related to the project, field work, report preparation and review, travel time, etc. Time spent on projects in litigation, in depositions and providing expert testimony will be charged at the Category rate times 1.5.

Executive Director	\$220.00
Senior Director II	\$200.00
Senior Director I	\$185.00
Director II	\$175.00
Director I	\$170.00
Senior Managing Associate / Technical Associate II	\$160.00
Senior Managing Associate / Technical Associate I	\$155.00
Managing Associate / Technical Associate II	\$145.00
Managing Associate / Technical Associate I	\$140.00
Senior Associate II	\$125.00
Senior Associate I	\$115.00
Associate III	\$100.00
Associate II	\$90.00
Associate I	\$80.00
Environmental Tech II	\$70.00
Environmental Tech I	\$60.00
Senior Administrative / Graphics	\$95.00
Administrative / Graphics	\$80.00
Clerical	\$65.00

- (a) From time to time, ESA retains outside professional and technical labor on a temporary basis to meet peak workload demands. Such contract labor may be charged at regular Employee Category rates.
- (b) ESA reserves the right to revise the Personnel Category Rates annually to reflect changes in its operating costs.

II. ESA Expenses

A. Travel Expenses

- 1. Transportation
 - a. Company vehicle – \$0.45 per mile
 - b. Common carrier or car rental – actual multiplied by 1.15
- 2. Lodging, meals and related travel expenses – direct expenses multiplied by 1.15

B. Communications Fee

In-house costs for phone, e-mail, telecopier, regular postage, walk-up copier, and records retention – project labor charges multiplied by 3%

EXHIBIT B
TIME AND MATERIALS COMPENSATION SCHEDULE

C. Printing/Reproduction Rates

ITEM	RATE/PAGE
8 1/2 x 11 b/w	\$0.05
11 x 17 b/w	0.10
8 1/2 x 11 color	1.00
11 x 17 color	2.00
Covers	0.20
Binding	0.75
HP Plotter	25.00

D. Equipment Rates

ITEM	RATE/DAY	RATE/WEEK	RATE/MONTH
Vehicles	\$40.00 ^a	\$180.00	
Laptop Computers	50.00	200.00	500.00
LCD Projector	200.00	600.00	
Noise Meter	50.00		
Sample Pump	25.00		
Surveying Kit	20.00		
Field Traps	40.00		
Digital Planimeter	40.00		
Cameras/Video/Cell Phone	20.00		200.00
Miscellaneous Small Equipment	5.00		
GIS Computer Time	120.00 ^b		
Trimble GeoXT GPS	75.00	350.00	
GIS Imagery	1.50 ^c		
GIS Web Maps			200.00 ^d
Tablet GPS	100.00	400.00	1,000.00
Laser Level	60.00		
Garmin GPS	25.00		250.00

^a Half day rate is \$20.00. Actual project charges will be either \$0.45 per mile or the day rate, whichever is higher.

^b GIS computer time will be charged at \$15.00 per hour.

^c A GIS image is based on 800 x 1,000 pixels. Custom size will be charged accordingly.

^d GIS Web Maps will be charge in \$200 per unit of disk space.

III. Subcontracts

Subcontract services will be invoiced at cost multiplied by 1.15.

IV. Other

There shall be added to all charges set forth above amounts equal to any applicable sales or use taxes legally levied in lieu thereof, now or hereinafter imposed under the authority of a federal, state, or local taxing jurisdiction.

Table 2
ESA Non-Labor Expenses



Reimbursable Costs

Project Supplies	\$	250
Printing/Reproduction	\$	1,500
Document and Map Reproductions	\$	600
Postage and Deliveries	\$	400
Mileage	\$	400
Vehicle Rental	\$	-
Lodging	\$	-
Airfare	\$	-
Other Travel Related	\$	100
<hr/>		
Subtotal Reimbursable Costs	\$	3,250
15% Fee on Reimbursable Expenses	\$	488
<hr/>		
Total Reimbursable Costs	\$	3,738

ESA Equipment Usage

Company Vehicle Usage	\$	-
HP Plotter	\$	-
GIS Computer Time	\$	-
Trimble GeoXT GPS	\$	-
Laptop Computers	\$	-
LCD Projector	\$	-
Noise Meter	\$	-
Sample Pump	\$	-
Surveying Kit	\$	-
Field Traps	\$	-
Digital Planimeter	\$	-
Cameras/Video/Cell Phone	\$	-
Miscellaneous Small Equipment	\$	-
<hr/>		
Total Equipment Usage Costs	\$	-

Table 2
ESA Non-Labor Expenses



Reimbursable Costs

Project Supplies	\$	250
Printing/Reproduction	\$	1,500
Document and Map Reproductions	\$	600
Postage and Deliveries	\$	400
Mileage	\$	400
Vehicle Rental	\$	-
Lodging	\$	-
Airfare	\$	-
Other Travel Related	\$	100
Subtotal Reimbursable Costs		\$ 3,250
15% Fee on Reimbursable Expenses		\$ 488
Total Reimbursable Costs		\$ 3,738

ESA Equipment Usage

Company Vehicle Usage	\$	-
HP Plotter	\$	-
GIS Computer Time	\$	-
Trimble GeoXT GPS	\$	-
Laptop Computers	\$	-
LCD Projector	\$	-
Noise Meter	\$	-
Sample Pump	\$	-
Surveying Kit	\$	-
Field Traps	\$	-
Digital Planimeter	\$	-
Cameras/Video/Cell Phone	\$	-
Miscellaneous Small Equipment	\$	-
Total Equipment Usage Costs		\$ -



8950 Cal Cen
Building 3, SL
Sacramento, CA 95826
916.564.4500 phone
916.564.4501 fax

Exhibit B

January 7, 2009

Andy Christensen
General Manager
Woodbridge Irrigation District
18777 N. Lower Sacramento Road
Woodbridge, CA, 95258

Robert Granberg
Deputy Director Water Resources
City of Stockton Municipal Utilities Department
2500 Navy Drive
Stockton, CA, 95206

Subject: Contract Modification for Additional Fisheries Analysis

Dear Mr. Christensen:

Environmental Science Associates (ESA) would like to present the following modification to the existing contract to provide environmental consulting services for the Woodbridge Irrigation District (WID) - City of Stockton Municipal Utilities Department (City MUD) Water Transfer Project, dated June 17, 2008 and in the amount of \$65,095. The existing contract includes preparation of an Initial Study and related CEQA compliance activities, and included provisions for an optional, detailed fisheries analysis. This contract modification provides scope and cost for the fisheries analysis by Robertson Bryan, Incorporated (RBI) as well as coordination with and management of RBI by ESA.

As requested, ESA has included an initial fisheries analysis subtask and a second, more detailed fisheries analysis subtask. The initial analysis will conclude with a preliminary draft of the fisheries Initial Study (IS) section and review by ESA, WID, and Stockton. ESA anticipates that this preliminary draft IS section may be sufficient to meet CEQA requirements, and that the second, more detailed subtask may not be needed. In the event that more detailed analysis is required, and only following approval by WID, ESA would authorize RBI to proceed into the second subtask, which provides for a more detailed analysis. Herein, ESA would work closely with WID, the City of Stockton, and RBI to assess the extent of further analysis, within the scope and budgetary framework provided in this contract modification.

We would like to thank you for your continued reliance on ESA for environmental compliance, and look forward to continuing our analysis in support of the proposed water transfer. Please contact us if you have any questions.

Thank You,

Leslie Moulton
Vice President,
Director - ESA Water

Robert Eckard
Senior Associate
ESA Water



CONTRACT MODIFICATION

ENVIRONMENTAL SCIENCE ASSOCIATES
8950 CAL CENTER DRIVE, SUITE 300
SACRAMENTO, CALIFORNIA 95826-3259

ESA ENVIRONMENTAL SERVICES AGREEMENT

THE AGREEMENT, dated the 17th day of June, 2008, by and between Environmental Science Associates, a California corporation (hereinafter referred to as "ESA"), and the **Woodbridge Irrigation District** (hereinafter referred to as "Client"), is hereby amended as follows this 7th day of January, 2009.

This modification of an agreement for professional services agreement ("Modification") pertains to the existing professional services agreement that was entered into on the 17th day of June, 2008, by and between ESA and WID ("Client"). Only those items specifically identified below shall be modified; all other terms and conditions of the original contract shall remain in force under this Modification. In consideration of the undertakings and agreements hereinafter set forth, the parties agree as to modify the existing professional services agreement as follows.

Scope of Services; Time Schedule for Services, Cost of Services

ESA and the Client agree to the following items:

1. Task 3 of ESA's June, 2008 scope shall include a detailed analysis of fisheries, as described in detail below.
2. The total cost shall increase by \$32,768, including \$4,950 allocated to ESA for ESA-RBI strategy development, coordination, management, and incorporation of technical data into the CEQA Initial Study (IS) document. This price represents the maximum foreseeable amount that would be required for the fisheries analysis, which may be truncated in scope and cost, as detailed below.
3. RBI shall initiate the additional fisheries analysis immediately upon receipt of a signed contract.

Detailed Scope of Services

Task 3 of ESA's June, 2008 scope shall be modified to include the following additional items; detailed cost information is provided in Table 1 and Table 2.

Subtask 3.a – Preliminary Draft Fisheries IS Section

ESA will work closely with RBI to prepare a preliminary draft Fisheries IS section. RBI's analysis will include review of the most recent version of the IS project description, coordination with ESA regarding scope and level of analysis, and identification of baseline conditions within the Mokelumne River, including historic and present-day Mokelumne River flows, diversions by WID, and information regarding the existing fisheries resources located along the lower Mokelumne River. RBI will then determine to what extent the proposed diversion schedule, for Phase I and separately for Phases I plus II, would align with existing and historic diversions made by WID, and make a determination regarding how the proposed diversions would or would not affect Mokelumne River fisheries resources.

RBI will then compose a preliminary draft fisheries IS section, including documentation of methodology, relevant background information, results from the analysis, a discussion of foreseeable impacts to fisheries

resources as a result of implementing the water transfer, and, if appropriate, identification of mitigation measures that could be incorporated into the Project to ensure that potential effects are less than significant. The preliminary draft IS section will include separate results and impact discussions for Phase I as well as Phase I plus Phase II.

Upon completion of the preliminary draft IS section, ESA will coordinate a teleconference meeting between WID, Stockton, RBI, and ESA to discuss the results of the preliminary analysis. ESA will then assist WID in determining whether the preliminary draft IS section will be sufficient under CEQA, or whether additional analysis will be required. If it is determined that the preliminary draft section would be sufficient, ESA will incorporate RBI's text into the administrative draft IS. If it is determined that additional information or analysis is required, ESA will initiate and coordinate Task 3.b.

Subtask 3.b – Additional Fisheries Analysis

This task includes the additional fisheries analysis that could be necessary to meet the requirements of CEQA, as per Task 3.a. The additional analysis will include, as necessary and relevant: refinement and addition of depth to the fisheries analysis discussed in Task 3.a, responses to comments on the preliminary draft fisheries IS section (e.g. Task 3.a), additional investigation of Mokelumne River flows upstream and downstream of Woodbridge, analysis of WID diversions, and other parameters and components relevant to fisheries as identified by RBI, ESA, and WID/Stockton. Separate analyses will be completed for flows under Phase I and Phase I plus Phase II of the proposed water transfer

Upon completion of the detailed fisheries analysis, RBI will compose an updated draft fisheries IS section, including detailed documentation of methodology, relevant background information, results from the analysis, and a discussion of foreseeable impacts to fisheries resources as a result of implementing the water transfer. The draft IS section will include separate results and impact discussions for Phase I as well as Phase I plus Phase II.

As needed, ESA will then organize a teleconference meeting between WID, Stockton, RBI, and ESA to discuss the results of the detailed analysis. RBI will respond to comments as needed, and ESA will incorporate the completed analysis into the IS.

TABLE 1: Pricing Proposal for Stockton-WID Water Transfer/207769
ESA Labor Detail and Expense Summary



Task Number / Description	Project Manager - L. Moulton	Deputy PM/Water Specialist - R. Eckard	Biologist							
	SrDir II	SrAssocII	SrAssocI	Subtotal	Sr Adm/Grph	GIS/GrphArt	Clerical	Subtotal	Total Hours	Total Labor Price
Hourly Billing Rate	\$200	\$125	\$115		\$ 95	\$115	\$65			
3.a Preliminary Draft Fisheries IS Section, incl PM	4	12	5	\$ 2,875	4	2	1	\$ 675	28	\$ 3,550
3.b Additional Fisheries Analysis, incl PM	2	8		\$ 1,400	-	-	-	\$ -	10	\$ 1,400
									-	
									-	
									-	
									-	
Total Hours	6	20	5		4	2	1		38	
Subtotals - Labor Hours	\$ 1,200	\$ 2,500	\$ 575	\$ 4,275	\$ 380	\$ 230	\$ 65	\$ 675		\$ 4,950
Percent of Effort - Labor Hours Only	15.8%	52.6%	13.2%		10.5%	5.3%	2.6%		100.0%	
Percent of Effort - Total Project Cost	3.7%	7.6%	1.8%		1.2%	0.7%	0.2%			15.1%
ESA Labor Costs										\$ 4,950
Communications Fee of 3% on ESA Labor Costs										\$ 149
ESA Non-Labor Expenses										
Reimbursable Expenses										\$ -
ESA Equipment usage										\$ -
Subtotal ESA Non-Labor Expenses										\$ -
Subconsultant Costs plus 15 % fee (see attached proposal)										\$ 27,669
TOTAL PROJECT PRICE										\$ 32,768

CITY COUNCIL/REDEVELOPMENT AGENCY

AGENDA ITEM 6.03

February 24, 2009

TO: Mayor and City Council

FROM Mark J. Madison, Director of Municipal Utilities

SUBJECT: **RESOLUTION: AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT**

RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute a reimbursement agreement with the Woodbridge Irrigation District in the amount not to exceed \$49,000 for environmental studies associated with the Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton and authorizing the City Manager to take appropriate actions to carry out the purpose and intent of the resolution.

SUMMARY

This action will reimburse the Woodbridge Irrigation District for the City of Stockton's share of the environmental studies necessary for the Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton, dated January 22, 2008.

DISCUSSION

Background

On January 22, 2008, by Resolution 08-0027, the City of Stockton entered into a water purchase agreement with the Woodbridge Irrigation District. The 40-year agreement provides for an initial 6,500 acre-feet of Mokelumne river water with a provision for an additional 6,500 acre-feet to be made available as additional lands annex north of Eight Mile Road within the Woodbridge Irrigation District service area.

The U.S. Fish and Wildlife Service Biological Opinion written for the Delta Water Supply Project stipulates a mandatory pumping curtailment beginning in March and continuing into June of each year. In order to maintain treated water delivery from the Delta Water Supply Project water treatment plant, an alternate supply is beneficial. Woodbridge Irrigation District water deliveries will fill that gap and provide an additional source of water into the future.

Payments to the Woodbridge Irrigation District for water do not begin until the California Environmental Quality Act environmental studies are completed. Section 11 of the water

February 24, 2009

**RESOLUTION: AUTHORIZING THE CITY MANAGER TO EXECUTE A
REIMBURSEMENT AGREEMENT WITH THE WOODBRIDGE IRRIGATION DISTRICT**
Page 2

purchase agreement stipulates the City and Woodbridge would share the cost of environmental review on a 50% basis.

Current Situation

Woodbridge Irrigation District, as lead agency for environmental review, hired Environmental Science Associates to conduct the necessary studies in accordance with California law. The cost for these studies is anticipated not to exceed \$97,833, of which the City is obligated to share 50%, or \$48,916.50.

FINANCIAL SUMMARY

Sufficient funds are available in account number 421-4210-572.20-65 (Water Utility Enterprise Fund Administration – Professional Services) for the aforementioned services in the amount of \$49,000.

PREPARED BY: Robert Granberg

Respectfully Submitted,


MARK J. MADISON
DIRECTOR OF MUNICIPAL UTILITIES

Approved by:



J. GORDON PALMER, JR.
CITY MANAGER

MJM:RLG:pd

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$49,000, WITH THE WOODBRIDGE IRRIGATION DISTRICT FOR ENVIRONMENTAL STUDIES IN SUPPORT OF THE WATER PURCHASE AGREEMENT

The City of Stockton and Woodbridge Irrigation District entered into a water purchase agreement on January 22, 2008, for 6,500 acre-feet of Mokelumne River water for the Delta Water Supply Project; and

The water purchase agreement stipulates that the City of Stockton and Woodbridge Irrigation District would share the cost of environmental studies pursuant to the California Environmental Quality Act; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Reimbursement Agreement between the City of Stockton and the Woodbridge Irrigation District for environmental studies is hereby approved.
2. The City Manager is hereby authorized to execute the Reimbursement Agreement for environmental studies, which is attached hereto as Exhibit "A" and incorporated herein by reference.
3. The City Manager is hereby authorized to take such other actions as are appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED _____.

ANN JOHNSTON
Mayor of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

:::ODMAIGRPWISE\ICOS.MUD.MUD_LIBRARY:130252.1

City Atty:
Review _____
Date February 17, 2009

**CITY OF STOCKTON AND WOODBRIDGE IRRIGATION DISTRICT
ENVIRONMENTAL STUDIES REIMBURSEMENT AGREEMENT**

This City of Stockton and Woodbridge Irrigation District environmental studies reimbursement agreement ("Reimbursement Agreement") is made and entered into on _____, 2009 by and between the City of Stockton, a municipal corporation, referred to as "CITY," and the Woodbridge Irrigation District, referred to as "DISTRICT."

RECITALS

CITY and DISTRICT entered into a 40-year water purchase agreement on January 22, 2008; and

CITY and DISTRICT are obligated to share in the cost of the California Environmental Quality Act studies on a 50/50 basis; and

DISTRICT entered into a Professional Services Agreement with Environmental Science Associates (ESA) on June 17, 2008 as shown as Exhibit A; and

DISTRICT and ESA modified the Professional Service Agreement on January 7, 2009, for additional fisheries analysis, as shown as Exhibit B; and

CITY acknowledges ESA's Professional Services Agreement, as modified, will properly analyze the environmental affects of this water purchase agreement; and

TERMS AND CONDITIONS

In consideration of these premises and the mutual promises contained herein, the parties hereto agree as follows:

1. **RECITALS:** Each of the parties hereto represents and warrants each to the other, that the above recitals are true and correct.

2. **PREPARATION AND APPROVAL OF ENVIRONMENTAL DOCUMENTATION:** DISTRICT shall cause to be prepared, through the services of ESA, an Initial Study and other related California Environmental Quality Act compliance consulting services to support the water purchase agreement to the satisfaction of the DISTRICT and the CITY.

7. **AUDIT:** CITY or its designee shall have the right, during normal business hours and upon reasonable notice to DISTRICT, to inspect and copy all books, records, accounts and other material of DISTRICT pertaining to costs and expenses incurred by DISTRICT for the work. DISTRICT further agrees to maintain such records for a period of three (3) years after final payment under this Reimbursement Agreement.
8. **ATTORNEY FEES & COSTS:** In the event of the bringing of an action or suit by either party against the other arising out of this Reimbursement Agreement the prevailing party shall be entitled to recover from the other part its reasonable attorneys fees (including in-house attorneys) and costs of suit.
9. **NOTICES:** All notices required shall be in writing, and delivered in person or sent by United States mail, postage prepaid.

Notices to CITY shall be addressed as follows:

City of Stockton
Municipal Utilities Department
Attn: Mark Madison
2500 Navy Drive
Stockton CA, 95206

Notices to DISTRICT shall be addressed as follows:

Woodbridge Irrigation District
Attn: Anders Christensen, General Manager
18777 N. Lower Sacramento Road
Woodbridge, CA 95258

Provided that any party may change such address by notice in writing to the other party and, thereafter, notices shall be addressed and transmitted to the new address.

10. **SEVERABILITY:** If any part of this Reimbursement Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Reimbursement Agreement shall be given effect to the fullest extent reasonably possible.
11. **APPLICABLE LAW:** The provisions of this Reimbursement Agreement and any and all disputes arising there from shall be governed by the laws of the State of California.
12. **SUCCESSORS & ASSIGNS:** This Reimbursement Agreement shall bind and inure to the benefit of the parties and their respective successors, heirs, executors, administrators and assigns.
13. **INTEGRATION CLAUSE:** This Reimbursement Agreement represents the



8950 Cal Centre
Building 3, Suite
Sacramento, CA 95826
916.564.4500 phone
916.564.4501 fax

Exhibit A

June 17, 2008

Andy Christensen
General Manager
Woodbridge Irrigation District
18777 N. Lower Sacramento Road
Woodbridge, CA, 95258

Robert Granberg
Deputy Director Water Resources
City of Stockton Municipal Utilities Department
2500 Navy Drive
Stockton, CA, 95206

Subject: Second Revised Proposal for the Woodbridge Irrigation District-City of Stockton Municipal Utilities Department Water Transfer Project to include an Initial Study and other related CEQA Compliance Consulting Services.

Dear Mr. Christensen:

Environmental Science Associates (ESA) is pleased to submit our second revised proposal to provide environmental consulting services for the Woodbridge Irrigation District (WID) - City of Stockton Municipal Utilities Department (City MUD) Water Transfer Project, to include preparation of an Initial Study and related CEQA compliance activities. We have updated the proposal as requested by your legal team. The revised proposal includes all changes proposed by the WID legal team through June 9th, 2008. As requested, we have left the proposed fisheries analysis as optional. We have also added other changes, including updates to the timeframe for deliverables, incorporating additional time for response to EBMUD comments on the administrative draft IS (Task 4), and modification of the description of the Biological Resources Analysis to specifically call out fisheries (Task 3). We would like to thank you for your input, and look forward to commencing our analysis in support of the proposed water transfer.

Thank You,

Leslie Moulton
Vice President
Director - ESA Water

Robert Eckard
Senior Associate
ESA Water

PROPOSAL CONTENTS

Woodbridge Irrigation District City of Stockton Municipal Utilities Department - Water Transfer Initial Study

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Table 1. Labor Detail and Expense Summary

Table 2. ESA Non-Labor Expenses

Environmental Science Associates Professional Services Agreement

www.esassoc.com

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 17th day of June, 2008, by and between Environmental Science Associates (hereinafter ESA), a California corporation and Woodbridge Irrigation District ("Client"). In consideration of the undertakings and agreements hereinafter set forth, the parties agree as follows:

1. Services

The specific professional services ("Services") to be performed by ESA on behalf of Client are described in the attached proposal dated June 17, 2008 attached to this Agreement as Exhibit A ("Proposal"). Client and ESA may amend the services only by written Change Order executed by both parties. All Services authorized by Change Order referencing this Agreement shall be subject to the terms of this Agreement except as otherwise modified in writing by mutual consent. ESA reserves the right to refuse to accept any proposed Change Order tendered by Client. Any schedule requirements applicable to ESA's Services shall be set forth in Exhibit A or any Change Order. The Services in Exhibit A and the budget for those Services reflect ESA's best professional judgment and are based on the information provided by Client concerning the proposed Project's nature and location as appropriate, ESA's knowledge of and experience with the public agencies likely to become involved; the environmental sensitivity of the Property; and the extent of likely controversy concerning the Project. For Services relating to a document required by CEQA or NEPA, Client understands that the precise requirements for legal adequacy are not defined in the California statute or CEQA Guidelines or in the Code of Federal Regulations and are subject to the judgment and interpretation of public officials and the courts. Client understands that ESA cannot provide a guarantee of the maximum cost and time required to complete the Services called for under this Agreement due to circumstances beyond our control. ESA cannot provide a guarantee that any proposed project that is the subject of the services to be required pursuant to this Agreement will be approved or permitted. ESA's obligations to perform the Services are specifically subject to the issuance of all permits, licenses, approvals or other documents required to enable ESA to perform the Services.

2. Compensation for Services

The method of payment by Client, whether on a firm fixed price, a time and materials basis or cost plus fixed fee, together with the applicable rate schedule shall be set forth in Exhibit B or any Change Order agreed to by ESA and Client. Client agrees to pay all sales, use, excise, gross receipts or other taxes, imposed upon the services rendered by ESA; any taxes shall be added to the total compensation due ESA. Where the method of payment is on a time and materials basis, ESA shall upon request, furnish to Client a proposed budget for the Services specified. ESA shall not invoice Client for amounts in excess of the specified budget without first obtaining Client's authorization by letter or email. However Client acknowledges that notwithstanding any contrary language, ESA's budget shall not be construed as a "guaranteed maximum price" to perform the described Services.

3. Invoices and Payments

(a) Invoices shall be submitted periodically. Any unpaid balances shall draw interest at one and one-half percent (1 ½%) per month or the highest rate allowed by law, whichever is lower, commencing thirty (30) days after date of invoice. All invoices not contested in writing within fifteen (15) business days of receipt are deemed accepted by Client as true and accurate and Client thereafter waives any objection to Client's invoices which are payable in full.

(b) When the method of payment is on a fixed price or lump sum basis, the monthly invoices shall be for the percent of the total fixed price that corresponds with the estimated percent of work completed (technical percent complete) during the prior month, less previous billings.

(c) When the method of payment is other than fixed price or lump sum (e.g., time and materials, cost plus fixed fee), invoices shall provide the following information: (i) total number of hours worked in performing the Services, (ii) total labor costs, and (iii) listing of reimbursable expenses itemized by type of charge. Any additional documentation required, or time and materials spent compiling information beyond that

supplied by the invoice, are considered additional effort and will be billed to Client.

(d) All payments should be remitted to the address indicated in the invoice.

4. Term

This Agreement shall become effective as of the date executed by both parties below and the initial term shall be for the period of performance only; unless otherwise extended in writing.

5. Compliance with Laws and Professional Standards

ESA shall perform the Services in accordance with prevailing professional standards and ethics, and in compliance with valid and applicable governmental laws, rules and regulations. If ESA believes that compliance with Client’s directions could violate applicable professional standards or ethics, or applicable governmental laws, rules or regulations, then ESA shall so advise Client. Client and ESA shall immediately enter into discussions to arrive at a mutually satisfactory solution. Failing a solution, either party may terminate this Agreement in accordance with Paragraph 16.

6. Standard of Care

The Services will be performed on behalf of and solely for the exclusive use of Client and for no others **except where Federal or state law mandates oversight by a Federal or state agency.** The Services performed by ESA shall be conducted in a manner consistent with generally accepted environmental principles and practices utilized by competent environmental firms in the same locale acting under similar circumstances and conditions at the time services are rendered. EXCEPT AS SET FORTH HEREIN, ESA MAKES NO OTHER REPRESENTATION, GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WHETHER OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, CONCERNING ANY OF THE SERVICES WHICH MAY BE FURNISHED BY ESA TO CLIENT.

7. Deliverables

All deliverables, including, but not limited to, any and all reports, drawings, plans, designs and specifications prepared by ESA hereunder shall become Client’s property upon final payment for ESA’s Services. ESA shall retain copies of all deliverables for its files. Except in the case of a program EIR or master or a programmatic EIS or unless expressly stated by ESA to the contrary, Client acknowledges that such deliverables are not intended or represented to be

suitable for reuse by Client or others on any extension of the project or on any other project. Reuse of the deliverables by Client or third parties without the opportunity for adaptation by ESA and absent ESA’s written consent, shall be at the Client’s sole risk.

8. ESA Insurance

ESA shall maintain, during the term of this Agreement, at least the following insurance coverage:

<u>Coverage</u>	<u>Limits</u>
(a) Worker’s Compensation Coverage A	Statutory
(b) Employer’s Liability Coverage B	\$100,000
(c) Commercial General Liability	\$1,000,000 each occurrence
(d) Comprehensive Automobile Liability (Combined single limit)	\$1,000,000 each occurrence
(e) Professional Liability	\$1,000,000 per claim \$1,000,000 aggregate

Insurance described in (c) and (d) shall list Client as an additional insured. All insurance coverage described above shall provide for 30 days prior notice to Client of cancellation in coverage. Certificates of insurance evidencing insurance required under this Paragraph will be provided at the request of Client.

Upon request, ESA shall furnish copies of insurance certificates evidencing that it maintains at least the above insurance coverage.

9. Limitation of ESA’s Liability to Client

ESA and Client have discussed the risks and rewards associated with this project as well as ESA’s fee for services. ESA and Client agree to allocate certain of the risks so that, to the fullest extent permitted by law, except for circumstances caused by the willful misconduct of or negligent performance of its duties by ESA or for bodily injuries and damage to property referred to in paragraph 10, all claims for damages of any kind arising out of the Services furnished under this Agreement and any Change Orders to this Agreement, including attorneys fees and costs, asserted against ESA, by Client, Client’s members, Client’s architects, Client’s contractors, subcontractors, engineers and agents,

including claims against ESA's directors, officers, shareholders, employees and agents, are limited to the greater of (i) \$50,000; or (ii) the total invoiced dollar value of the Services provided by ESA under this Agreement. ESA is not responsible for any special, incidental, indirect or consequential damages (including loss of profits) incurred by Client as a result of ESA's performance or nonperformance of Services. In such cases Client agrees to defend and indemnify ESA against any claim, demand or lawsuit by any third party for damages in excess of the amount set forth in this **LIMITATION OF ESA's LIABILITY TO CLIENT** provision.

10. ESA's Indemnification of Client

ESA shall indemnify and hold harmless Client and its directors, officers, employees and agents from and against any and all losses, damages, claims, liability, and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees) which any or all of them may hereafter incur, be responsible for or pay out as a result of bodily injuries (including death) to any person, or damage (including loss of use) to any property (public or private), or contamination of or adverse effects on the environment, to the extent caused by (i) the negligent acts, negligent omissions or willful misconduct of ESA in the performance of the Services; or (ii) ESA's breach of this Agreement.

11. Client's Indemnification of ESA

Client shall defend, indemnify and hold harmless ESA and its shareholders, directors, officers, employees and agents from and against any and all losses, damages, claims, liability and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees) which any or all of them may hereafter incur, be responsible for or pay out as a result of bodily injuries (including death) to any person, or damage (including loss of use) to any property (public or private), or contamination of or adverse effects on the environment, arising out of or which are connected with (i) the negligent acts negligent omissions or willful misconduct of Client or Client's employees, agents, contractors or subcontractors; (ii) Client's breach of this Agreement.

12. Required Disclosures by Client

(a) Client shall provide ESA all information that is known or readily accessible to Client, which may be reasonable and/or necessary for completion of the Services by ESA.

(b) Prior to the commencement of the Services on a Project, or at any time thereafter when new information becomes available to Client, Client will provide prompt, full and complete disclosure to ESA of known or potential hazardous conditions or risks to the health or safety of ESA's employees, agents and subcontractors that may be encountered at the Project site or in connection with the performance of the Services.

13. Modifications to Work

Client or ESA may request modifications or changes in the scope of Services to be performed under a Change Order. Any changes that are mutually agreed upon shall be incorporated into a written modification to the Change Order signed by both ESA and Client.

14. Force Majeure

Neither the Client nor ESA shall hold the other responsible for damages or delays in performance caused by Force Majeure or other events beyond the control of the other party and that could not reasonably have been anticipated or prevented. For purposes of this Agreement, Force Majeure shall include, but not necessarily be limited to, adverse weather conditions, floods, war, riot, civil unrest, strikes, lockouts and other industrial disturbances; unknown site conditions, accidents, sabotage, fire, loss of permits, failure to obtain permits; court orders; acts of God; acts, orders, laws or regulations of any governmental agency. Should such acts or events occur, the parties to this Agreement shall mutually agree on the terms and conditions upon which the Services may be continued. Failing achievement of such an agreement, either party may terminate this Agreement in accordance with Paragraph 16.

15. Project Delays

If ESA is delayed at any time in the progress of the Services for any specific activity under a Change Order (i) by an act, failure to act, or neglect of Client or Client's employees or any other party, (ii) by changes in the scope of Services, or (iii) by delay authorized by Client and agreed to by ESA; then the time for completion shall be extended and an equitable adjustment made to the compensation if delays caused by any of the above events result in additional costs to ESA. Failing achievement of such a revision, ESA may terminate this Agreement in accordance with Paragraph 16.

16. Termination

(a) This Agreement may be terminated by either party upon thirty (30) days written notice (i) should the

other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the terminating party; or (ii) whenever the right to terminate is otherwise provided in this Agreement.

(b) If Client fails to make payment to ESA for the Services, ESA may, upon fourteen (14) days written notice to Client, suspend performance of the Services under this Agreement. In the event of suspension of the Services, ESA shall have no liability to Client for delay or damage incurred by Client because of such suspension of the Services.

(c) Irrespective of which party shall effect termination or the cause therefore, Client shall, within thirty (30) days of termination, compensate ESA for Services performed and for costs incurred up to the time of termination, as well as those associated with termination and post-termination activities, such as demobilization, modifying schedules, reassigning personnel.

17. Legal Proceedings

(a) In the event that legal action is brought by either party against the other, the successful party shall be entitled to recover, as part of its damages, its reasonable legal costs and expenses for bringing and maintaining any such action.

(b) Client shall be responsible for and pay ESA at its prevailing rates for all time spent by ESA employees in connection with any court, administrative or other legal proceedings with a third party, arising from or relating to Services provided under this Agreement, regardless of whether or not ESA is subpoenaed to appear at such proceedings by Client or any third party.

18. Site Access and Control

Client grants to ESA the right of entry to the Project site by ESA, its employees, agents and subcontractors, to perform the Services. If Client does not own the Project site, Client warrants and represents to ESA that Client has the authority and permission of the owner and occupant of the Project site to grant this right of entry to ESA.

19. Information Provided by Client

ESA shall indicate to Client the information needed for rendering the Services described in each Work Order. To the extent that ESA is required to rely solely upon information provided by client, without the opportunity for ESA to appropriately validate the accuracy and reliability of such information, Client agrees to waive any claim against ESA and to indemnify and hold harmless ESA from and against any and all claims, damages, losses, liability, and expenses, including

attorney's fees, that may arise from errors, omissions or inaccuracies in existing information provided to ESA by Client or others.

20. Client Representative

Client shall designate in each Work Order a person to act as Client's representative with respect to the Services to be performed under that Work Order. Such person shall have complete authority to transmit instructions, receive information, interpret and define Client's policies and decisions with respect to ESA's Services for the Project.

21. Independent Contractor

ESA shall have the status of an independent contractor, not that of an agent or employee. ESA shall be solely responsible for the compensation, benefits, contributions and taxes, if any, of its employees, agents and subcontractors.

22. Entire Agreement

This Agreement, together with any Exhibits hereto, including but not limited to the following:

Exhibit A Proposal

Exhibit B Time and Materials Compensation Schedule

constitutes the entire understanding and agreement between the parties relating to the Services provided by ESA to Client and supersedes any and all prior agreements, whether written or oral, that may exist between the parties regarding the Services. This Agreement may be amended only by a written instrument signed by each party.

23. Precedence

This Agreement shall take precedence over any inconsistent or contradictory provisions contained in any Client-issued purchase order, requisition, notice to proceed or like document regarding the Services. In the event of a conflict between the terms or conditions of this Agreement and those of any Work Order, the terms and conditions of this Agreement shall control.

24. Governing Law

This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of any other jurisdiction.

25. Assignment, Successors and Assigns

This Agreement shall not be assigned by either party without first obtaining the written consent of the

other party, which consent shall not be unreasonably withheld, provided, however, ESA shall have the right to assign this Agreement to any of its subsidiaries with the consent of the Client. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

26. Survival

All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between Client and ESA shall survive the completion of Services hereunder and the termination of this Agreement.

27. Waiver of Contract Breach

The waiver by one party of any breach of this Agreement, or the failure by one party to enforce at any time, or for any period of time, any of the terms and conditions of this Agreement, shall be limited to the particular instance, shall not operate or be deemed to waive any future breaches of this Agreement and shall not be construed to be a waiver of any other provision, except for the particular instance.

28. Dispute Resolution

If any dispute arises out of or relates to this Agreement, or the breach thereof, then said dispute will first be referred to a panel consisting of at least one representative of ESA and of Client having authority to enter into agreements to settle the dispute. The panel will engage in any conference or discussion deemed

appropriate under the circumstances to arrive at a settlement of the dispute. If the dispute cannot be settled through direct discussions by the panel representatives of the Parties, the Parties agree then to submit the matter to mediation under the Construction Industry Mediation Rules of the American Arbitration Association before having recourse to a judicial forum. No written or oral representation made during the course of any settlement negotiations or mediation shall be deemed a party admission.

In the event mediation fails to resolve the dispute within ninety (90) days or a longer time if agreed to by ESA and Client, ESA and Client agree that the dispute shall be resolved by judicial reference pursuant to the provisions of California Code of Civil Procedure §638-645.1. The cost of the referee shall be borne equally by each party or in such other manner as deemed equitable by the referee. Any referee must be a retired judge and should be experienced in resolving construction disputes. The referee shall be agreed upon by the parties within ten (10) days of the demand for judicial reference. In the event the parties cannot agree on the selection of a referee, any party may petition the Superior Court in the County in which the project is located for the appointment of a qualified retired judge as the referee. Unless otherwise agreed by the parties, the reference proceeding shall be held in San Francisco, California.

IN WITNESS THEREOF, the parties hereto have executed this Agreement by their duly authorized agents as of the day and year first above written.

Client: Woodbridge Irrigation Dist.

ENVIRONMENTAL SCIENCE ASSOCIATES

By: [Signature] 7-3-08
(Signature) (Date)

By: [Signature] 7/7/08
(Signature) (Date)

Name: Anders Christensen, Mgr.
(Printed Name)

Name: LESLIE MOUNTAIN
(Printed Name)

Title: Manager/Sec/Exec.

Title: VICE PRESIDENT

SECTION 1

Project Understanding/Scope of Work

Project Understanding

The project is needed to provide additional surface water supply reliability to the City of Stockton and supplement water from the Delta Water Supply Project.

Recent rulings to protect endangered fish in the Sacramento-San Joaquin Delta are anticipated to reduce the amount of water that the City of Stockton Municipal Utilities Department will be able to divert via the Delta Water Supply Project (DWSP). The withdrawal reductions are likely to be enforced during springtime months, constraining the amount of water that could be withdrawn by the City to meet municipal and industrial demand. The DWSP, currently in the design phase, would supply water to meet the following needs:

- To replace declining and unreliable surface water supplies;
- To protect and restore groundwater resources; and
- To provide adequate water supply to accommodate planned growth

Such reductions in the volume of water supplied by the DWSP would represent a loss of available surface water to the City of Stockton, and would interfere with the City's ability to meet the needs outlined above.

In order to supplement its water supply for municipal and industrial use, the City of Stockton Municipal Utilities Department (City MUD) has entered into an Agreement with Woodbridge Irrigation District (WID) to purchase up to 6,500 acre feet per year (AF/y) of Mokelumne River water for a duration of 40 years. The water would be made available to the City MUD under WID's Mokelumne River appropriative water right holdings that date to the late 1880's. Conservation measures occurring within WID, including changes in cropping patterns and conversion to drip irrigation by growers in the District, as well as conversion of land within the WID service area from agricultural to municipal and industrial (M&I) uses, will make available water for transfer.

Under the Agreement, water would be conveyed by WID to the City MUD from March to July via an existing, lined WID canal. The City MUD would then treat the water at the DWSP water treatment plant, currently in design, prior to distribution via existing City facilities.

WID canal improvements to the District's Wilkerson Lateral will be required prior to water delivery, consisting of replacement of the culverts at the Lower Sacramento Road and Armstrong Road crossings, and piping approximately 1000 feet of the lateral along the Kahler Dairy property. Upon completion of such work, the existing canal will deliver water to the DWSP water treatment plant property. An additional pipeline connection from the WID canal point of delivery to the treatment facility will be installed by the City as a portion of this project. Water would be delivered by gravity feed along the entire extent of the canal/conveyance system.

ESA will prepare an Initial Study in accordance with the requirements of the California Environmental Quality Act (CEQA) and identify any potentially significant environmental impacts along with feasible mitigation that can reduce the intensity of such impacts. Given the nature of the project, we anticipate that relatively low levels of impact would result from initial setup of the system and its operation. Consistent with requirements for preparation of an Initial Study, ESA will work with the WID and the City of Stockton to identify and incorporate mitigation measures into the project description to help reduce any adverse impacts associated with the project to less than significant.

Technical Approach

The following discussion presents our technical approach to completing the anticipated scope of work:

Task 1 – Project Kick Off

ESA will review available information including existing environmental and engineering reports, special studies and other pertinent information. ESA will prepare a meeting agenda and attend one kick-off meeting with the WID and the City of Stockton to define roles, contact procedures, scope of work, and tour the project site.

Meeting: One (1) Project Team Kick-off Meeting and Site Visit

Task 2 – Project Description

Based on the information provided by the WID and the City of Stockton, ESA will prepare a Project Description for the Draft Initial Study that meets the requirements of CEQA. As required by CEQA, the Project Description will be complete with the precise location and boundaries of the Proposed Project, a statement of the objectives of the Proposed Project, and a general

description of the Proposed Project's technical, environmental, engineering and/or construction aspects.

Task 3 – Prepare Administrative Draft Initial Study

ESA will prepare an Initial Study that will identify potential environmental impacts and describe measures that could be implemented to avoid or reduce the intensity of each potential impact. As required by CEQA, the Initial Study will address all of the anticipated impacts that may be associated with the Project including:

- Hydrology and Water Quality
- Biological Resources and Fisheries
- Cultural Resources
- Air Quality and Greenhouse Gases
- Climate Change
- Public Health
- Public Services and Utilities
- Transportation Traffic
- Land Use
- Aesthetics
- Geology and Soils
- Hazards and Hazardous Materials
- Noise
- Population, Employment and Housing
- Fisheries Resources (Optional In-Depth Analysis)

For each of the above resource areas, ESA will describe the environmental setting, establish clear impact significance criteria for each issue, and conduct the necessary analyses to determine whether an impact is significant or less than significant. The following paragraphs identify the focused technical work we propose to complete, in seven key areas to insure adequate CEQA compliance. Additionally, a detailed analysis of potential fisheries impacts has been included as an optional issue area, if needed.

Biological Resources and Fisheries

ESA will prepare a Biological Resources Inventory Report to support the Initial Study. ESA will prepare a list of regionally occurring special

status plants and wildlife species based on database searches of the California Natural Diversity Database and the California Native Plant Society Inventory of Rare and Endangered Plants. Our field biologists will conduct a reconnaissance site survey for botanical and wildlife species that may be affected by the proposed project.

Additionally, ESA will address potential impacts to fisheries related to withdrawing water from the lower Mokelumne River. ESA analysts will rely upon existing, available hydrologic and fisheries data and supporting information to predict potential effects of the proposed project on fisheries resources. Optional additional studies of fisheries are provided for under the optional Fisheries Resources task, below.

ESA analysts will then determine potential biological resources and fisheries impacts based on the findings of the Biological Resources Inventory Report and the fisheries analysis. As required, ESA will recommend feasible and applicable mitigation to reduce impact levels.

Hydrology and Water Quality

The analysis of hydrology and water quality will include a detailed description of when and how much water would be conveyed to the City MUD, quality of the source water, effects related to making the water available. ESA analysts will also describe WID's existing Mokelumne River diversion, including diversion rates over the last fifty years, and provide technical details regarding the estimated quality of water that would be delivered to the DWSP treatment plant via the WID transfer.

ESA analysts will assess the significance of potential impacts based on these characterizations. Where necessary, our water quality specialist will recommend feasible mitigation that would reduce the intensity of potential impacts.

Cultural Resources

ESA cultural resources specialists will review existing archaeological and cultural information available in archaeological and cultural resources archives. Information contained in site reports, surveys, and other archival information will be supplemented, as necessary, with contacts with Native Americans and a cursory site reconnaissance. If additional consultation is required, ESA will provide the needed services after revisiting scope, budget, and project schedule. We do not expect that the project will have a significant effect on cultural resources since all

Project activity would be confined to areas within the existing canal footprint.

Air Quality and Greenhouse Gases

The proposed Project would include limited use of heavy machinery to perform the needed canal improvements, including replacement of existing culverts, and potential installation of pipelines. Ongoing use of pumps to move water and other use of motorized equipment during project operations could also be included in the final Project description.

ESA's experienced air quality and greenhouse gas emissions analysts will estimate the potential for increased emissions from project construction and operation. ESA will use applicable laws, policies, and regulations to develop significance criteria to be applied to the impact analysis, and to develop mitigation measures that will reduce air emissions to acceptable levels for the affected jurisdiction.

Climate Change

Emissions of CO₂ and other greenhouse gases during the needed canal improvements and Project operations would potentially contribute to climate change. Potential changes in hydrologic resources due to climate change, including timing of rainfall, flooding frequency and severity, and water supply availability, would potentially affect the proposed Project.

ESA's experienced climate change analysts will use the most current scientific data, research, and policy available to assess both the potential for the proposed Project to contribute to climate change, and the potential effects of climate change on the proposed Project. As applicable and necessary, ESA will determine the significance of these effects and, if needed, provide feasible mitigation measures to reduce their intensity.

Transportation and Traffic

ESA's traffic and transportation experts will investigate potential traffic impacts that would occur during the initial canal improvement procedures. For the reconstruction or replacement of roadway undercrossings and installation of a new pipeline, equipment and heavy trucks will use roads adjacent to active construction sites. Public streets or lanes may be temporarily closed during the installation of these facilities. Construction personnel will travel to and from active maintenance sites on a daily basis, generating additional local traffic.

ESA will determine the significance of the proposed Project effects and, as needed, prepare mitigation measures to reduce the significance of these impacts.

Land Use and Secondary Effects of Growth

The Project would provide an additional potable water supply to the City of Stockton, which could remove a constraint on population growth for the City and result in growth-related environmental effects. Because the Project would supplement water supply shortfalls for Stockton's DWSP project, we anticipate that secondary effects of population growth and changes in land use will have been previously addressed by the DWSP EIR. ESA therefore anticipates incorporating DWSP EIR analyses for land use and growth effects into the CEQA documentation for this Project.

Fisheries Resources (Optional Analysis)

In the event that fisheries issues and potential fisheries impacts become evident for the proposed Project, ESA will include an optional fisheries analysis. In consultation with WID, ESA will retain a qualified fisheries expert to provide an analysis of the potential impacts of the proposed project on fisheries resources. If needed, this optional analysis will require an amendment to this scope and budget.

Deliverables: Administrative Draft Initial Study: five (5) hard copies, and two (2) CD copies

Meeting: One (1) Conference Call with the WID and the City of Stockton to discuss approach to analysis

Task 4 – Finalize Initial Study

One meeting will be held with WID, City of Stockton staff, and EBMUD, to review comments on the Administrative Draft Initial Study. ESA will incorporate the necessary revisions into the document, including

incorporating comments from EBMUD, as directed by WID. ESA will then prepare the finalized version of the Initial Study.

Deliverables: Final Initial Study: Five (5) hard copies, and two (2) CD copies

Meeting: one (1) Meeting with WID and City of Stockton Staff

Task 5 – Determine Appropriate CEQA Documentation

Upon completion of the final Initial Study and review by the applicant, ESA will attend a meeting with WID and City of Stockton staff to review the findings of the Initial Study. ESA's CEQA specialists will work with WID and the City of Stockton to determine the appropriate level of review and environmental documentation needed to meet CEQA requirements for the proposed Project. ESA will then prepare and submit an amendment to this scope of work to complete the required documentation and CEQA process.

Deliverables: Scope Amendment: Five (5) hard copies, and two (2) CD copies

Meetings: one (1) CEQA Approach Determination Meeting

Task 6 – Project Management

ESA will manage scope, schedule and budget performance and ensure consistency and accuracy in work products.

Team Management and Invoicing

ESA's Project Manager will oversee staff assignments, budget and schedule management and work progress and quality. ESA will submit monthly invoices for work to date. ESA will maintain regular contact with Department staff to coordinate work progress. ESA's Project Director will review all work products and monitor ESA's schedule, budget and scope performance.

Meetings Summary

As described for Tasks 1-5 above, ESA will participate in up to four team meetings or conference calls with WID and City of Stockton staff, consisting of the following:

- Kick off Meeting/Site Visit (1; Task 1)

- Conference call to discuss approach to analysis for Administrative Draft Initial Study (1; Task 3)
- Meeting to review comments on the Administrative Draft Initial Study (1; Task 4)
- CEQA Approach Determination meeting (1; Task 5)

Schedule

Scheduled milestones for the Initial Study and CEQA Approach are shown below.

- Notice to Proceed June, 2008
- Submit Administrative Draft Initial Study August, 2008
- Final Initial Study and Determine CEQA Approach September, 2008

SECTION 2

Project Team

ESA's Central Valley Water Group

ESA has provided environmental compliance support for water transfers and water right projects throughout California.

ESA's Central Valley Water Group is focused on providing environmental compliance services for water and wastewater resource management and infrastructure projects. For over 38 years, ESA has been a leader in environmental planning and compliance services on complex wastewater and water projects throughout the state. Our team has provided a full range of environmental services from concept to completion for comprehensive master plans as well as specific projects – from water rights, drinking water supply, and water treatment plants to water transfers, pipelines, conveyances, reservoirs, and integrated water management plans. ESA provides planning and alternative screening, CEQA and NEPA, permitting, construction monitoring, mitigation and restoration.

ESA Central Valley Water Group's growing staff of management professionals and senior technical analysts brings an array of water sector and environmental experience and expertise to ensure that your project will progress smoothly through the environmental compliance process. Our group continues to provide environmental support for major water projects including the Stockton Delta Water Supply Project, the San Joaquin Integrated Conjunctive Use Program, and the Los Vaqueros Reservoir Expansion project, and for a wide array of water rights and water transfer support, including the Cawelo Water Transfer, the Zone 7 Tulare Lake Transfer Project, the Freeport Element of the American River Use Strategy, and a Water Right Extension for Carmichael Water District.

Project Team

ESA has assembled a highly qualified team of environmental professionals to provide analysis and support for this water transfer project. Project Manager, Leslie Moulton has over 23 years at ESA directing CEQA compliance for water projects. Deputy Project Manager, Robert Eckard is an experienced CEQA practitioner who has supported technical analyses for water projects across California. Robert will serve as head technical analyst and be supported by a team of technical specialists in cultural and biological resources, air quality, traffic, and land use to address these impact issues.

The project team for the WID-City of Stockton Water Transfer Project is shown in the organizational chart below. The roles and a brief description of project team members follow on the next page. Resumes of all personnel are provided in Appendix A of this proposal.

Leslie Moulton, Director of ESA's Water Group will serve as *Project Manager*. Ms. Moulton will direct the scope of the analysis, ensure schedule and budget performance as well as provide quality assurance/quality control on all deliverables.

Leslie Moulton is the California Practice Group Leader of ESA's Water Group. Leslie has more than 23 years of program management and technical assessment experience on a wide range of water resource management programs as well as expertise in CEQA, NEPA and regulatory compliance relevant to biological and water resources.

Robert Eckard will serve as the *Deputy Project Manager* and *Senior Water Resources Specialist*. Robert will provide the day-to-day management of the project and be responsible for the oversight of the technical impact analysis and document preparation.

Robert has over seven years' experience managing, developing and preparing environmental documentation for water, water development, and other environmental compliance projects. He specializes in hydrologic, riparian, and aquatic resources, is currently completing his dissertation in water quality at the University of California at Davis. His educational background and research have emphasized water quality, hydrology, and water rights in the Central Valley, as well as the effects of climate change on water resources in California.

Erich Fischer will serve as the *Senior Biologist*.

Erich is the Director of Land Management and Biological Resources for ESA's Central Valley/Sierra Region. Erich has conducted biological assessments, permitting, and CEQA documentation for several water and wastewater projects throughout California.

Jack Hutchinson, PE will serve as *Lead Traffic Analyst*. He will manage the research and documentation related to transportation, circulation, and traffic. Jack has 30 years of experience in a wide range of transportation analyses, from planning-level impact analyses to operations and design evaluations. Jack is a registered Traffic Engineer in the State of California and a member of the Institute of Transportation Engineers.

Dr. Mitch Marken, Ph.D. is an *Archaeologist*. He has over 18 years of archaeological and management experience in the environmental field. He has completed environmental compliance training with the Federal Energy Regulatory Commission (FERC), and Section 106 compliance training from the Advisory Council on Historic Preservation. Dr. Marken has worked on various projects for National Environmental Policy Act (NEPA), National Historic Preservation Act and California Environmental Quality Act (CEQA) compliance throughout the United States for the U.S. Coast Guard, the U.S. Army, the U.S. Navy, and the ACOE.

Kathy Anderson is a *Cultural Resources Specialist*. She researches and writes for a variety of ESA projects involving cultural resources work. Her role entails establishing a base historic setting for the respective projects, coordinating the efforts of various cultural resource personnel in the creation of cultural resource documents, and contributing to the evaluation of various historic resources for eligibility for the National Register of Historic Places.

Mark Fogiel is a *Biologist and Plant Ecologist* with expertise in vegetation analysis, rare plant surveys and habitat analysis, and habitat management planning. Mark has prepared numerous wetland delineations and rare plant surveys, conducted planning for land management planning and exotic species removal, and performed GIS analyses for complex constraints and other applications. Mark is well versed with provisions and requirements of the California Environmental Quality Act (CEQA) and has extensive experience in preparation of a variety of CEQA documentation.

Matthew Morales is an *Air Quality and Noise Analyst* who prepares technical analyses for numerous planning and environmental projects related to infrastructure, natural resource management, and facility expansion. Trained in air quality and noise analysis, he is adept at applying noise and air quality models, such as Urban Emissions Model (URBEMIS) and the Federal Highway Administration (FHWA) Traffic Noise Prediction Model, to perform quantitative analyses for sections of National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) documents.



SECTION 3

Points of Contact

ESA's Sacramento office location and contact information is provided below. This office will be the primary point of contact for the Woodbridge Irrigation District and the City of Stockton Municipal Utilities Department throughout the duration of the proposed project.

Environmental Science Associates (ESA)
8950 Cal Center Drive, Building 3, Suite 300
Sacramento, CA, 95826
Phone: (916) 564-4500
Fax: (916) 564-4501

Project Manager: Leslie Moulton (916) 669-4726

Deputy Project Manager: Robert Eckard (916) 669-4745

SECTION 4

Conflict of Interest Statement

ESA is presently working with the City of Stockton MUD for ongoing environmental compliance on the Delta Water Supply Project, is presently preparing the Program EIR for the San Joaquin County Integrated Conjunctive Use Program, and is involved in the initial planning stages of the San Joaquin County's Freeport Element of the American River Use Strategy Project. However, ESA does not anticipate that these existing projects would provide any conflict of interest to this water transfer between WID and the City of Stockton. ESA does not have any current clients who may have a financial interest in the outcome of this project.

SECTION 5

Cost and Assumptions

ESA's proposed cost for completion of a CEQA Initial Study for the WID-Stockton water transfer is \$65,095. This figure includes all items discussed within the Scope of Work, above. **Table 1** and **Table 2** provide a breakdown of ESA's projected costs. Briefly, costs are broken down by task, as defined in the Scope of Work, and by personnel, which includes directors, managers, technical analysts, graphics and GIS, and clerical categories. Project management is addressed in a separate Task 6, while quality control and review by senior staff are included in the time allotted for Tasks 1-6. The summary of expenses included in Table 2 identifies the reimbursable costs that are anticipated for the proposed Project.

The scope, schedule, and cost provisions of this proposal are based upon several assumptions. These assumptions are summarized below to further define the proposed scope of work. ESA recognizes that these assumptions may be subject to change during the course of the proposed study effort. While these changes would not necessarily result in modifications of scope, schedule, or cost, ESA must reserve the right to propose such modifications in the event of changes.

The following assumptions are included in this proposal:

- The performance period for this work extends for four (4) months, from June through September, 2008.
- Issues to be addressed in ESA's proposed deliverables will be limited to those identified by ESA in this proposal. Issues that emerge after the start of work are not included in the attached Scope of Work or Cost for Completion, and would require an additional agreement among ESA, WID, and Stockton.
- There will be no substantive alteration to the project description during the scope of work.
- WID and City MUD staff will cooperate with the consultant team in a timely manner. Work will not be stopped or slowed by the WID, the City MUD, or others outside the study team. Should work be stopped or slowed, ESA will be reimbursed for the costs to date, subject to the proposed task limits on such costs.

- WID and the City MUD staff will review draft documents and provide comments to ESA in a timely manner. WID and the City MUD will also respond to information requests in a timely manner.
- The number of meetings at which ESA staff will be present will not exceed those discussed in the Scope of Work.
- Preparation of printed graphic materials specifically for use at public meetings will be the responsibility of WID and the City MUD.
- One round of administrative draft review is assumed for the proposed Initial Study.
- Preparation of printed materials in excess of those described in the Scope of Work shall be the responsibility of WID and the City MUD.

EXHIBIT A

PROPOSAL DATED JUNE 17, 2007 FOR WOODBRIDGE IRRIGATION DISTRICT

EXHIBIT B

TIME AND MATERIALS COMPENSATION SCHEDULE

Page B-1

San Francisco (415) 896-5900 Sacramento (916) 564-4500 Oakland (510) 839-5066 Petaluma (707) 795-0900 Los Angeles (213) 599-4300 San Diego (619) 638-0900 Woodland Hills (818) 703-8600 Portland (503) 226-8018 Seattle (206) 789-9658 Tampa (813) 207-2100

Project No. 20 _____

EXHIBIT B
TIME AND MATERIALS COMPENSATION SCHEDULE

I. Personnel Category Rates

Charges will be made at the Category rates set forth below for time spent on project management, consultation or meetings related to the project, field work, report preparation and review, travel time, etc. Time spent on projects in litigation, in depositions and providing expert testimony will be charged at the Category rate times 1.5.

Executive Director	\$220.00
Senior Director II	\$200.00
Senior Director I	\$185.00
Director II	\$175.00
Director I	\$170.00
Senior Managing Associate / Technical Associate II	\$160.00
Senior Managing Associate / Technical Associate I	\$155.00
Managing Associate / Technical Associate II	\$145.00
Managing Associate / Technical Associate I	\$140.00
Senior Associate II	\$125.00
Senior Associate I	\$115.00
Associate III	\$100.00
Associate II	\$90.00
Associate I	\$80.00
Environmental Tech II	\$70.00
Environmental Tech I	\$60.00
Senior Administrative / Graphics	\$95.00
Administrative / Graphics	\$80.00
Clerical	\$65.00

- (a) From time to time, ESA retains outside professional and technical labor on a temporary basis to meet peak workload demands. Such contract labor may be charged at regular Employee Category rates.
- (b) ESA reserves the right to revise the Personnel Category Rates annually to reflect changes in its operating costs.

II. ESA Expenses

A. Travel Expenses

- 1. Transportation
 - a. Company vehicle – \$0.45 per mile
 - b. Common carrier or car rental – actual multiplied by 1.15
- 2. Lodging, meals and related travel expenses – direct expenses multiplied by 1.15

B. Communications Fee

In-house costs for phone, e-mail, telecopier, regular postage, walk-up copier, and records retention – project labor charges multiplied by 3%

**EXHIBIT B
TIME AND MATERIALS COMPENSATION SCHEDULE**

C. Printing/Reproduction Rates

ITEM	RATE/PAGE
8 1/2 x 11 b/w	\$0.05
11 x 17 b/w	0.10
8 1/2 x 11 color	1.00
11 x 17 color	2.00
Covers	0.20
Binding	0.75
HP Plotter	25.00

D. Equipment Rates

ITEM	RATE/DAY	RATE/WEEK	RATE/MONTH
Vehicles	\$40.00 ^a	\$180.00	
Laptop Computers	50.00	200.00	500.00
LCD Projector	200.00	600.00	
Noise Meter	50.00		
Sample Pump	25.00		
Surveying Kit	20.00		
Field Traps	40.00		
Digital Planimeter	40.00		
Cameras/Video/Cell Phone	20.00		200.00
Miscellaneous Small Equipment	5.00		
GIS Computer Time	120.00 ^b		
Trimble GeoXT GPS	75.00	350.00	
GIS Imagery	1.50 ^c		
GIS Web Maps			200.00 ^d
Tablet GPS	100.00	400.00	1,000.00
Laser Level	60.00		
Garmin GPS	25.00		250.00

^a Half day rate is \$20.00. Actual project charges will be either \$0.45 per mile or the day rate, whichever is higher.

^b GIS computer time will be charged at \$15.00 per hour.

^c A GIS image is based on 800 x 1,000 pixels. Custom size will be charged accordingly.

^d GIS Web Maps will be charge in \$200 per unit of disk space.

III. Subcontracts

Subcontract services will be invoiced at cost multiplied by 1.15.

IV. Other

There shall be added to all charges set forth above amounts equal to any applicable sales or use taxes legally levied in lieu thereof, now or hereinafter imposed under the authority of a federal, state, or local taxing jurisdiction.

TABLE 1: ESA Cost Estimate - WID-Stockton Water Transfer IS/MND
 ESA Labor Detail and Expense Summary



Task Number / Description	Project Manager - J. Moulton	Deputy PM/Water Specialist - R. Edard	Sr. Analyst - Bio Erich Fischer	Sr. Analyst - Cultural Mitch Marken	Traffic Engineer - Jack Hutchison P.E.	Biology Analyst - Mark Fogel	Analyst - Cultural Kathy Anderson	All Resources/ Noise Analyst - Matthew Morales	Senior CEQA Analyst							Total Hours	Total Labor Price
	SrDir II	SrAssocII	DirI	DirI	Sr MA/TA II	SrAssoc	AssocII	AssocII	SrAssoc	Subtotal	Sr Adm/Grph	GIS/GrphArt	Clerical	Subtotal			
Hourly Billing Rate	\$200	\$125	\$185	\$185	\$160	\$115	\$90	\$100	\$115								
1 & 2 Data collection and review; Project Description; Site Visit	4	20				8				\$ 4,220	8		2	\$ 890	42	\$ 5,110	
3 Prepare Administrative Initial Study	12	62	4	4	4	32	30	30	32	\$ 25,330	16	6	8	\$ 2,730	240	\$ 28,060	
4 Respond to Comments and Finalize Initial Study	22	38	2	2	2	26	2	2	4	\$ 14,040	6	2	4	\$ 1,250	114	\$ 15,290	
5 Determine Appropriate CEQA Compliance Document	6	18								\$ 3,450	2	2	6	\$ 940	36	\$ 4,390	
6 Project Management	16	24								\$ 6,200			8	\$ 520	48	\$ 6,720	
Total Hours	60	162	6	6	6	66	32	32	36		34	10	30		480		
Subtotals - Labor Hours	\$ 12,000	\$ 20,250	\$ 1,110	\$ 1,110	\$ 960	\$ 7,590	\$ 2,880	\$ 3,200	\$ 4,140	\$ 53,240	\$ 3,230	\$ 1,150	\$ 1,950	\$ 6,330		\$ 59,570	
Percent of Effort - Labor Hours Only	12.5%	33.8%	1.3%	1.3%	1.3%	13.8%	6.7%	6.7%	7.5%		7.1%	2.1%	6.3%		100.0%		
Percent of Effort - Total Project Cost	18.4%	31.1%	1.7%	1.7%	1.5%	11.7%	4.4%	4.9%	6.4%		5.0%	1.8%	3.0%			91.5%	
ESA Labor Costs																\$ 59,570	
Communications Fee of 3% on ESA Labor Costs																\$ 1,787	
ESA Non-Labor Expenses																\$ 3,738	
Reimbursable Expenses (see Attachment A for detail)																\$ -	
ESA Equipment usage (see Attachment A for detail)																\$ 3,738	
Subtotal ESA Non-Labor Expenses																\$ -	
Subconsultant Costs (see Attachment B for detail)																\$ -	
TOTAL PROJECT PRICE																\$ 65,095	

Table 2
ESA Non-Labor Expenses



Reimbursable Costs

Project Supplies	\$	250
Printing/Reproduction	\$	1,500
Document and Map Reproductions	\$	600
Postage and Deliveries	\$	400
Mileage	\$	400
Vehicle Rental	\$	-
Lodging	\$	-
Airfare	\$	-
Other Travel Related	\$	100
<hr/>		
Subtotal Reimbursable Costs	\$	3,250
15% Fee on Reimbursable Expenses	\$	488
<hr/>		
Total Reimbursable Costs	\$	3,738

ESA Equipment Usage

Company Vehicle Usage	\$	-
HP Plotter	\$	-
GIS Computer Time	\$	-
Trimble GeoXT GPS	\$	-
Laptop Computers	\$	-
LCD Projector	\$	-
Noise Meter	\$	-
Sample Pump	\$	-
Surveying Kit	\$	-
Field Traps	\$	-
Digital Planimeter	\$	-
Cameras/Video/Cell Phone	\$	-
Miscellaneous Small Equipment	\$	-
<hr/>		
Total Equipment Usage Costs	\$	-

Table 2
ESA Non-Labor Expenses



Reimbursable Costs	
Project Supplies	\$ 250
Printing/Reproduction	\$ 1,500
Document and Map Reproductions	\$ 600
Postage and Deliveries	\$ 400
Mileage	\$ 400
Vehicle Rental	\$ -
Lodging	\$ -
Airfare	\$ -
Other Travel Related	\$ 100
<hr/>	
Subtotal Reimbursable Costs	\$ 3,250
15% Fee on Reimbursable Expenses	\$ 488
<hr/>	
Total Reimbursable Costs	\$ 3,738

ESA Equipment Usage	
Company Vehicle Usage	\$ -
HP Plotter	\$ -
GIS Computer Time	\$ -
Trimble GeoXT GPS	\$ -
Laptop Computers	\$ -
LCD Projector	\$ -
Noise Meter	\$ -
Sample Pump	\$ -
Surveying Kit	\$ -
Field Traps	\$ -
Digital Planimeter	\$ -
Cameras/Video/Cell Phone	\$ -
Miscellaneous Small Equipment	\$ -
<hr/>	
Total Equipment Usage Costs	\$ -



8950 Cal Cen
Building 3, St
Sacramento, CA 95826
916.564.4500 phone
916.564.4501 fax

Exhibit B

January 7, 2009

Andy Christensen
General Manager
Woodbridge Irrigation District
18777 N. Lower Sacramento Road
Woodbridge, CA, 95258

Robert Granberg
Deputy Director Water Resources
City of Stockton Municipal Utilities Department
2500 Navy Drive
Stockton, CA, 95206

Subject: Contract Modification for Additional Fisheries Analysis

Dear Mr. Christensen:

Environmental Science Associates (ESA) would like to present the following modification to the existing contract to provide environmental consulting services for the Woodbridge Irrigation District (WID) - City of Stockton Municipal Utilities Department (City MUD) Water Transfer Project, dated June 17, 2008 and in the amount of \$65,095. The existing contract includes preparation of an Initial Study and related CEQA compliance activities, and included provisions for an optional, detailed fisheries analysis. This contract modification provides scope and cost for the fisheries analysis by Robertson Bryan, Incorporated (RBI) as well as coordination with and management of RBI by ESA.

As requested, ESA has included an initial fisheries analysis subtask and a second, more detailed fisheries analysis subtask. The initial analysis will conclude with a preliminary draft of the fisheries Initial Study (IS) section and review by ESA, WID, and Stockton. ESA anticipates that this preliminary draft IS section may be sufficient to meet CEQA requirements, and that the second, more detailed subtask may not be needed. In the event that more detailed analysis is required, and only following approval by WID, ESA would authorize RBI to proceed into the second subtask, which provides for a more detailed analysis. Herein, ESA would work closely with WID, the City of Stockton, and RBI to assess the extent of further analysis, within the scope and budgetary framework provided in this contract modification.

We would like to thank you for your continued reliance on ESA for environmental compliance, and look forward to continuing our analysis in support of the proposed water transfer. Please contact us if you have any questions.

Thank You,

Leslie Moulton
Vice President,
Director - ESA Water

Robert Eckard
Senior Associate
ESA Water



CONTRACT MODIFICATION

ENVIRONMENTAL SCIENCE ASSOCIATES
8950 CAL CENTER DRIVE, SUITE 300
SACRAMENTO, CALIFORNIA 95826-3259

ESA ENVIRONMENTAL SERVICES AGREEMENT

THE AGREEMENT, dated the 17th day of June, 2008, by and between Environmental Science Associates, a California corporation (hereinafter referred to as "ESA"), and the **Woodbridge Irrigation District** (hereinafter referred to as "Client"), is hereby amended as follows this 7th day of January, 2009.

This modification of an agreement for professional services agreement ("Modification") pertains to the existing professional services agreement that was entered into on the 17th day of June, 2008, by and between ESA and WID ("Client"). Only those items specifically identified below shall be modified; all other terms and conditions of the original contract shall remain in force under this Modification. In consideration of the undertakings and agreements hereinafter set forth, the parties agree as to modify the existing professional services agreement as follows.

Scope of Services; Time Schedule for Services, Cost of Services

ESA and the Client agree to the following items:

1. Task 3 of ESA's June, 2008 scope shall include a detailed analysis of fisheries, as described in detail below.
2. The total cost shall increase by \$32,768, including \$4,950 allocated to ESA for ESA-RBI strategy development, coordination, management, and incorporation of technical data into the CEQA Initial Study (IS) document. This price represents the maximum foreseeable amount that would be required for the fisheries analysis, which may be truncated in scope and cost, as detailed below.
3. RBI shall initiate the additional fisheries analysis immediately upon receipt of a signed contract.

Detailed Scope of Services

Task 3 of ESA's June, 2008 scope shall be modified to include the following additional items; detailed cost information is provided in Table 1 and Table 2.

Subtask 3.a – Preliminary Draft Fisheries IS Section

ESA will work closely with RBI to prepare a preliminary draft Fisheries IS section. RBI's analysis will include review of the most recent version of the IS project description, coordination with ESA regarding scope and level of analysis, and identification of baseline conditions within the Mokelumne River, including historic and present-day Mokelumne River flows, diversions by WID, and information regarding the existing fisheries resources located along the lower Mokelumne River. RBI will then determine to what extent the proposed diversion schedule, for Phase I and separately for Phases I plus II, would align with existing and historic diversions made by WID, and make a determination regarding how the proposed diversions would or would not affect Mokelumne River fisheries resources.

RBI will then compose a preliminary draft fisheries IS section, including documentation of methodology, relevant background information, results from the analysis, a discussion of foreseeable impacts to fisheries

resources as a result of implementing the water transfer, and, if appropriate, identification of mitigation measures that could be incorporated into the Project to ensure that potential effects are less than significant. The preliminary draft IS section will include separate results and impact discussions for Phase I as well as Phase I plus Phase II.

Upon completion of the preliminary draft IS section, ESA will coordinate a teleconference meeting between WID, Stockton, RBI, and ESA to discuss the results of the preliminary analysis. ESA will then assist WID in determining whether the preliminary draft IS section will be sufficient under CEQA, or whether additional analysis will be required. If it is determined that the preliminary draft section would be sufficient, ESA will incorporate RBI's text into the administrative draft IS. If it is determined that additional information or analysis is required, ESA will initiate and coordinate Task 3.b.

Subtask 3.b – Additional Fisheries Analysis

This task includes the additional fisheries analysis that could be necessary to meet the requirements of CEQA, as per Task 3.a. The additional analysis will include, as necessary and relevant: refinement and addition of depth to the fisheries analysis discussed in Task 3.a, responses to comments on the preliminary draft fisheries IS section (e.g. Task 3.a), additional investigation of Mokelumne River flows upstream and downstream of Woodbridge, analysis of WID diversions, and other parameters and components relevant to fisheries as identified by RBI, ESA, and WID/Stockton. Separate analyses will be completed for flows under Phase I and Phase I plus Phase II of the proposed water transfer

Upon completion of the detailed fisheries analysis, RBI will compose an updated draft fisheries IS section, including detailed documentation of methodology, relevant background information, results from the analysis, and a discussion of foreseeable impacts to fisheries resources as a result of implementing the water transfer. The draft IS section will include separate results and impact discussions for Phase I as well as Phase I plus Phase II.

As needed, ESA will then organize a teleconference meeting between WID, Stockton, RBI, and ESA to discuss the results of the detailed analysis. RBI will respond to comments as needed, and ESA will incorporate the completed analysis into the IS.

TABLE 1: Pricing Proposal for Stockton-WID Water Transfer/207769
ESA Labor Detail and Expense Summary



Task Number / Description	Project Manager - J. Moulton	Deputy PM/Water Specialist - R. Eckard	Biologist							
	SrDir II	SrAssocI	SrAssocI	Subtotal	Sr Adm/Grph	GIS/GrphArt	Clerical	Subtotal	Total Hours	Total Labor Price
Hourly Billing Rate	\$200	\$125	\$115		\$ 95	\$115	\$65			
3.a Preliminary Draft Fisheries IS Section, incl PM	4	12	5	\$ 2,875	4	2	1	\$ 675	28	\$ 3,550
3.b Additional Fisheries Analysis, incl PM	2	8		\$ 1,400	-	-	-	\$ -	10	\$ 1,400
									-	
									-	
									-	
									-	
Total Hours	6	20	5		4	2	1		38	
Subtotals - Labor Hours	\$ 1,200	\$ 2,500	\$ 575	\$ 4,275	\$ 380	\$ 230	\$ 65	\$ 675		\$ 4,950
Percent of Effort - Labor Hours Only	15.8%	52.6%	13.2%		10.5%	5.3%	2.6%		100.0%	
Percent of Effort - Total Project Cost	3.7%	7.6%	1.8%		1.2%	0.7%	0.2%			15.1%
ESA Labor Costs										\$ 4,950
Communications Fee of 3% on ESA Labor Costs										\$ 149
ESA Non-Labor Expenses										
Reimbursable Expenses										\$ -
ESA Equipment usage										\$ -
Subtotal ESA Non-Labor Expenses										\$ -
Subconsultant Costs plus 15 % fee (see attached proposal)										\$ 27,669
TOTAL PROJECT PRICE										\$ 32,768

10-0051

Resolution No. _____

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO AGREEMENT FOR PURCHASE OF WATER FROM THE WOODBRIDGE IRRIGATION DISTRICT BY THE CITY OF STOCKTON

On January 22, 2008, the City Council, by Resolution 08-0027 authorized the City Manager to execute an Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The First Amendment to the Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton is hereby approved.
2. The City Manager is hereby authorized to execute the First Amendment, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.
3. The City Manager is hereby authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED FEB 23 2010.

ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG WEISSNER
City Clerk of the City of Stockton



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CITY ATTY
REVIEW _____

DATE FEB 17 2010

FIRST AMENDMENT TO THE AGREEMENT FOR PURCHASE OF
WATER FROM THE WOODBRIDGE IRRIGATION DISTRICT BY THE CITY
OF STOCKTON

Recitals

A. On January 22, 2008, Woodbridge Irrigation District (District) and the City of Stockton (City) entered into an "Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton" (the "Agreement"). The Agreement provides for the purchase by the City of up to 6,500 acre-feet of water per year during the months of March through July of each year, plus up to an additional 6,500 acre feet annually conditioned upon the City's future annexation of agricultural lands within the District boundaries, which are as a result taken out of agricultural production.

B. The Agreement, at Section 10, provides that the obligations of the parties under the Agreement were conditioned on (i) the completion of proceedings under the California Environmental Quality Act (CEQA) to determine whether the sale and delivery of water to the City (the "project") would have a significant effect on the environment and (ii) the expiration of the applicable period for any challenge to the adequacy of such CEQA determination without a legal challenge.

C. The CEQA proceedings were conducted and completed upon a determination that that the project would not present a significant effect on the environment because revisions in the project were made as set forth in the Mitigation Monitoring and Reporting Program in the Initial Study/Mitigated Declaration for the project.

D. The CEQA proceedings were further completed without any legal challenge to such determination having been filed. Further, CEQA compliance and the resulting determination did not result in the imposition of any obligations or conditions upon either party's performance that was unacceptable to that party.

E. However, the CEQA compliance proceedings and the expiration of the period for challenge were completed later than anticipated by the parties.

F. Accordingly, the parties desire to postpone the starting dates for payments and other obligations under the Agreement for one year, as set out below.

NOW, THEREFORE, THE DISTRICT AND THE CITY HEREBY AGREE TO AMEND THE AGREEMENT, AS FOLLOWS.

1. In Section 1 of the Agreement, all reference to the year 2009 shall be amended to instead reference the year 2010.

2. In Section 2 of the Agreement, relating to improvements to be made by the District to the Wilkerson lateral through which water would be delivered to Stockton, the third sentence is amended as follows:

The District shall make needed capacity improvements to the Wilkerson lateral, using ~~therefore~~ the proceeds of the payments by the City to the District during the initial year ~~(2009)~~ (2010) under the Agreement, as set forth in Section 1 above. The improvements to be made ~~and the schedule for the improvements~~ shall be prepared by the District and shall be approved by the City, and the improvements shall be completed by the District within five years after the date of this Amendment.

3. The first sentence of Section 6.a. (Carryover of Entitlements), is amended to read as follows:

a. For each calendar quarter beginning January 1, ~~2010~~ 2011 in which payments to District are made under paragraph 1 of this Agreement but in which the City is unable to take water deliveries under the Agreement because the commencement of operations of the initial phase of the City's DWSP has not begun, the City may carry over and have credit for one-fourth of its annual water entitlement, not to exceed a total of 13,000 acre-feet. The District will make this water available for later delivery during the initial 40-year term of this Agreement, not to exceed 2,000 acre-feet per year, at such times as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

4. Except has herein amended, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the _____ day of _____, 2010.

WOODBRIIDGE IRRIGATION DISTRICT

Attest:

By _____
William Stokes, President

Anders Christensen, Secretary

CITY OF STOCKTON, a municipal corporation

Attest:

By _____
Kevin O'Rourke, Interim City Manager

12/21/09

APPROVED AS TO FORM AND CONTENT

By _____
Assistant City Attorney

CITY COUNCIL/REDEVELOPMENT AGENCY

AGENDA ITEM 6.12

February 23, 2010

TO: Mayor and City Council

FROM Mark J. Madison, Director of Municipal Utilities

SUBJECT: **FIRST AMENDMENT TO AGREEMENT FOR PURCHASE OF WATER FROM THE WOODBRIDGE IRRIGATION DISTRICT BY THE CITY OF STOCKTON**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute a First Amendment to Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton (Agreement).

SUMMARY

This action will postpone the implementation of the Agreement for one year, from January 2009 to January 2010. This postponement is due to delays in completing the environmental document associated with the water purchase. There is no impact associated with the delayed water purchase, as the water will not be needed until the Delta Water Supply project treatment plant is in place.

DISCUSSION

Background

On January 22, 2008, the City Council approved an Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton. The terms of this Agreement are for a 40-year supply of water at a rate of \$200 per acre-foot, paid in quarterly installments beginning in calendar year 2009. Section 10 of the Agreement provided that the obligations of the parties under the Agreement were conditioned on completion of proceedings under the California Water Quality Act and upon expiration of the applicable period for any challenge to the adequacy of the California Water Quality Act determinations without a legal challenge.

Current Situation

California Environmental Quality Act proceedings were conducted and completed by the Woodbridge Irrigation District upon a determination that there would not be a significant effect from the project, as set forth in the Mitigation Monitoring and Reporting Program in the Initial Study/Mitigated Negative Declaration. These proceedings were completed without challenges to that determination. However, these proceedings were not completed in 2008 as was contemplated in the Agreement. Completion and the expiration of the period for any challenge finally occurred on November 23, 2009.

February 23, 2010

**FIRST AMENDMENT TO THE WATER PURCHASE AGREEMENT WITH THE
WOODBIDGE IRRIGATION DISTRICT**

(PAGE 2)

The Woodbridge Irrigation District and the City of Stockton desire to postpone the starting dates for payments and steps following under the Agreement for one year.

FINANCIAL SUMMARY

There is no financial impact associated with this First Amendment to the Water Purchase Agreement with the Woodbridge Irrigation District.

PREPARED BY: Robert Granberg

Respectfully Submitted,

Approved by:



MARK J. MADISON
DIRECTOR OF MUNICIPAL UTILITIES



KEVIN O'ROURKE
INTERIM CITY MANAGER

MJM:RLG:bg

Resolution No. _____

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO AGREEMENT FOR PURCHASE OF WATER FROM THE WOODBRIDGE IRRIGATION DISTRICT BY THE CITY OF STOCKTON

On January 22, 2008, the City Council, by Resolution 08-0027 authorized the City Manager to execute an Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The First Amendment to the Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton is hereby approved.
2. The City Manager is hereby authorized to execute the First Amendment, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.
3. The City Manager is hereby authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED _____.

ANN JOHNSTON, Mayor
of the City of Stockton

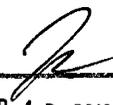
ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

::ODMA\GRPWISE\COS.MUD.MUD_Library:137544.1

CITY ATTY
REVIEW

DATE


FEB 17 2016

FIRST AMENDMENT TO THE AGREEMENT FOR PURCHASE OF
WATER FROM THE WOODBRIDGE IRRIGATION DISTRICT BY THE CITY
OF STOCKTON

Recitals

A. On January 22, 2008, Woodbridge Irrigation District (District) and the City of Stockton (City) entered into an "Agreement for Purchase of Water from the Woodbridge Irrigation District by the City of Stockton" (the "Agreement"). The Agreement provides for the purchase by the City of up to 6,500 acre-feet of water per year during the months of March through July of each year, plus up to an additional 6,500 acre feet annually conditioned upon the City's future annexation of agricultural lands within the District boundaries, which are as a result taken out of agricultural production.

B. The Agreement, at Section 10, provides that the obligations of the parties under the Agreement were conditioned on (i) the completion of proceedings under the California Environmental Quality Act (CEQA) to determine whether the sale and delivery of water to the City (the "project") would have a significant effect on the environment and (ii) the expiration of the applicable period for any challenge to the adequacy of such CEQA determination without a legal challenge.

C. The CEQA proceedings were conducted and completed upon a determination that that the project would not present a significant effect on the environment because revisions in the project were made as set forth in the Mitigation Monitoring and Reporting Program in the Initial Study/Mitigated Declaration for the project.

D. The CEQA proceedings were further completed without any legal challenge to such determination having been filed. Further, CEQA compliance and the resulting determination did not result in the imposition of any obligations or conditions upon either party's performance that was unacceptable to that party.

E. However, the CEQA compliance proceedings and the expiration of the period for challenge were completed later than anticipated by the parties.

F. Accordingly, the parties desire to postpone the starting dates for payments and other obligations under the Agreement for one year, as set out below.

NOW, THEREFORE, THE DISTRICT AND THE CITY HEREBY AGREE TO AMEND THE AGREEMENT, AS FOLLOWS.

1. In Section 1 of the Agreement, all reference to the year 2009 shall be amended to instead reference the year 2010.

2. In Section 2 of the Agreement, relating to improvements to be made by the District to the Wilkerson lateral through which water would be delivered to Stockton, the third sentence is amended as follows:

The District shall make needed capacity improvements to the Wilkerson lateral, using ~~therefore~~ the proceeds of the payments by the City to the District during the initial year ~~(2009)~~ (2010) under the Agreement, as set forth in Section 1 above. The improvements to be made ~~and the schedule for the improvements~~ shall be prepared by the District and shall be approved by the City, and the improvements shall be completed by the District within five years after the date of this Amendment.

3. The first sentence of Section 6.a. (Carryover of Entitlements), is amended to read as follows:

a. For each calendar quarter beginning January 1, ~~2010~~ 2011 in which payments to District are made under paragraph 1 of this Agreement but in which the City is unable to take water deliveries under the Agreement because the commencement of operations of the initial phase of the City's DWSP has not begun, the City may carry over and have credit for one-fourth of its annual water entitlement, not to exceed a total of 13,000 acre-feet. The District will make this water available for later delivery during the initial 40-year term of this Agreement, not to exceed 2,000 acre-feet per year, at such times as the District has extra water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

4. Except has herein amended, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the _____ day of _____, 2010.

WOODBRIIDGE IRRIGATION DISTRICT

By _____
William Stokes, President

Attest:

Anders Christensen, Secretary

CITY OF STOCKTON, a municipal corporation

By _____
Kevin O'Rourke, Interim City Manager

Attest:

12/21/09

APPROVED AS TO FORM AND CONTENT

By _____
Assistant City Attorney