



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Frances Mizuno, Assistant Executive Director

DATE: February 7, 2019

RE: Resolution Approving the revised Los Vaqueros Reservoir Expansion Activity Agreement

BACKGROUND

The Water Authority on December 12, 2011 entered into a Memorandum of Understanding (MOU) regarding CalFed Bay-Delta Program Studies on the expansion of Los Vaqueros Reservoir (LVE) with Contra Costa Water District (CCWD) and other water agencies. The participation in the MOU required a payment of \$100,000, which was included in FY 17 Leg Ops 1 budget and paid in October 31, 2016. This cost was included in Leg Ops 1 budget as the Water Authority's participation was to explore potential SOD CVO-wide benefits from the project. Since the Water Authority's participation in the MOU, individual member agencies (Byron-Bethany Irrigation District, Del Puerto Water District, Grassland Water District, San Luis Water District, Santa Clara Valley Water District, and Westlands Water District) also entered into the MOU to seek potential storage/conveyance benefits directly for their respective districts. With the exception of Grassland WD, each participant also paid \$100,000 each for their participation.

The LVE Project includes expansion of the Los Vaqueros Reservoir from its current capacity of 160 TAF to 275 TAF, construction of a pipeline between CCWD's Transfer Pump Station and the State Water Project's California Aqueduct at Bethany Reservoir (the "Transfer-Bethany Pipeline"), upgrades to the existing Transfer Pump Station Facilities, and construction of the Neroly High Lift Station.

The potential benefits to Water Authority members from the LVE Project include the operational flexibility to Reclamation to move CVP water south of Delta, conveyance and storage of water purchased through water transfers, and storage of rescheduled water for CVP contractors and Level IV Refuge Water for Grasslands Water District.

The MOU participants have drafted a proposed CCWD Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning. This agreement is for the purpose of providing for cost-sharing to (1) complete the Final Supplement to the 2010 Final EIS/EIR, (2) release the Final Feasibility Report in partnership with Reclamation, (3) complete financial evaluation of the

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Project for the Local Agency Partners (LAP), (4) develop a long-term governance structure for a likely new Joint Powers Authority (JPA), and (5) complete conceptual and preliminary design. The total cost under this draft Cost Share Agreement is \$2,833,036. The proposal is to share the cost equally amongst all the LAPs. There are a total of 14 MOU participants that are potential LAPs. The cost for each LAP will depend on the total number of participants.

At the January 10, 2019 Board of Director meeting, the Board approved a resolution to establish the Los Vaqueros Reservoir Expansion Activity Agreement and execution of the Contra Costa Water District Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning. Subsequent to the approval, the draft Activity Agreement was further reviewed by potential Activity Agreement Participants and has been substantially revised to remove the need for a Management Committee. Due to the change, staff is seeking re-approval of the new form of Activity Agreement (attached).

RECOMMENDATION

Staff recommends the Board approve the resolution to approve the revised Los Vaqueros Expansion Activity Agreement.

ANALYSIS / IMPLICATIONS

Water Authority Member Agencies, including Westlands Water District, Del Puerto Water District, and Byron Bethany Irrigation District have expressed desire to participate in the Cost Share Agreement through participation in a Water Authority Activity Agreement. Potential other Members including San Luis, Panoche, and Pacheco Water Districts may also decide to participate through the Water Authority.

The Water Authority has traditionally established Activity Agreements for activities where more than one but not all members participate in such activity. Examples of existing Activity Agreements are: Long-Term Water Transfer Program, Grasslands Bypass Project, and Sustainable Groundwater Management Act Services. Participation in this next phase for completion of the planning process will allow the Authority/ Participating Members to continue to engage in and have a voice in the outcome of the project.

Water Authority participation in the Activity Agreement will require staff time to manage the project and coordinate with the Activity Agreement participating members. Activity Agreement participating members would be responsible for all financial (including Water Authority staff time) obligations and liabilities associated with the Water Authority's execution of the Cost Share Agreement.

With the Water Authority participating as the LAP, there likely will a total of 10 LAPs executing the Cost Share Agreement. The cost for participation for each LAP assuming a total of 10 LAP is \$283,304 per LAP. Fifty percent of the cost will be paid immediately upon execution of the Cost

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Share Agreement and the remaining 50% is due on July 1, 2019. The Cost Share Agreement allows for LAPs to withdraw with a 30-day notice.

BUDGET

No direct budget impact, due to the proposed structure of the Activity Agreement, whereby the cost for the Water Authority's participation in the Cost Share Agreement, and any additional financial obligations and liabilities associated with execution of the Cost Share Agreement, will be divided equally among and paid for by the Activity Agreement participating members.

EXHIBITS

1. San Luis & Delta-Mendota Water Authority Resolution No. 2019-XX Authorizing Execution of the Revised Los Vaqueros Reservoir Expansion Project Activity Agreement
2. Los Vaqueros Reservoir Expansion Project Activity Agreement

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2019-

**RESOLUTION AUTHORIZING EXECUTION OF THE REVISED LOS VAQUEROS
RESERVOIR EXPANSION PROJECT ACTIVITY AGREEMENT**

WHEREAS, on December 12, 2011, the San Luis & Delta-Mendota Water Authority (“Water Authority”) entered into a Memorandum of Understanding regarding CalFed Bay-Delta Program Studies on the expansion of Los Vaqueros Reservoir (“LVE MOU”) with Contra Costa Water District (“CCWD”) and other water agencies.

WHEREAS, subsequently, individual Water Authority member agencies Byron-Bethany Irrigation District, Del Puerto Water District, Grassland Water District, San Luis Water District, Santa Clara Valley Water District, and Westlands Water District also entered into the LVE MOU to seek potential storage and/or conveyance benefits directly for their respective districts.

WHEREAS, the Authority and certain individual Water Authority member agencies, together with Reclamation and other public agencies have considered the feasibility of a Phase 2 Los Vaqueros Reservoir Expansion Project (“LVE Project” or “Project”) to, among other things, develop regional water supplies for environmental water management, to improve regional water supply reliability, and to improve regional water quality, while maintaining benefits from the existing Los Vaqueros Reservoir.

WHEREAS, the planning to date for the Project includes, but is not limited to, planning for the construction of an expanded reservoir with a capacity of 275,000 acre-feet, construction of a pipeline between CCWD’s Transfer Pump Station and the California Department of Water Resources’ California Aqueduct at Bethany Reservoir (the “Transfer-Bethany Pipeline”), upgrades to the existing Transfer Pump Station facilities, and construction of the Neroly High Lift Pump Station.

WHEREAS, the LVE MOU participants have drafted a proposed CCWD Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning (“LVE Cost Share Agreement”). The LVE Cost Share Agreement is for the purpose of providing cost-sharing to complete planning and preconstruction activities related to the LVE Project.

WHEREAS, some or all of the individual Water Authority member agencies that previously entered into the LVE MOU desire to provide cost-sharing through the Water Authority’s execution of the LVE Cost Share Agreement as a “Local Agency Partner” on their behalf.

WHEREAS, the Board adopted a resolution in January 2019 authorizing execution of that certain form of the LVE Cost Share Agreement, a copy of which was presented to the Board in January 2019 and is on file with the Secretary hereof.

WHEREAS, the Board has further considered that certain form of the revised Los Vaqueros Reservoir Expansion Project Activity Agreement, setting forth the terms by which the certain Members of the Water Authority are willing to participate in the benefits and are willing to incur the obligations of the LVE Cost Share Agreement, through the joint exercise of the powers common to each of the parties, a copy of which has also been presented to the Board and is on file with the Secretary hereof.

WHEREAS, authorizing execution of the revised Los Vaqueros Reservoir Expansion Project Activity Agreement does not constitute a project under the California Environmental Quality Act because the proposed action involves continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the CEQA guidelines) and also represents administrative activities of the Water Authority that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); further, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA guidelines).

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the Executive Director to execute the revised Los Vaqueros Reservoir Expansion Project Activity Agreement in substantially the form presented to the Board, subject to such additions, deletions, and other revisions as the said Executive Director shall approve prior to execution and further subject to the contingencies described in Section 3 of this Resolution.

Section 3. This authorization conferred by this Resolution, and the documents executed in reliance upon it, shall be contingent upon the occurrence of the following action: at least two Members of the Water Authority executing the Activity Agreement.

Section 4. In the event the contingency described in Section 3 fails to occur, the authorization conferred by this Resolution for which the contingency is not satisfied is revoked *ab initio* as to the document not achieving the signatures as required by said Section 3, and any documents executed by the Water Authority in reliance upon it shall have no binding force or effect.

Section 5. The Executive Director, Assistant Executive Director, or such Water Authority employee or consultant as either of such officers may designate, is further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution, subject to the budgets and approvals as set forth in the respective documents.

PASSED AND ADOPTED this 7th day of February, 2019.

Cannon Michael, Chairman

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at a regular meeting thereof held on the 7th day of February, 2019.

Federico Barajas, Secretary

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
LOS VAQUEROS RESERVOIR EXPANSION PROJECT ACTIVITY AGREEMENT

This **LOS VAQUEROS RESERVOIR EXPANSION PROJECT ACTIVITY AGREEMENT** (“**Activity Agreement**”) is made effective as of the date it is executed by and among the San Luis & Delta-Mendota Water Authority, a joint powers agency of the State of California (“**Authority**”), and at least two of its members (“**Members**”). Capitalized terms used in this Activity Agreement shall have the meanings set forth in Section 2 below.

1. RECITALS

A. The Members, together with certain other local agencies, have entered into an amended and restated Joint Exercise of Powers Agreement-San Luis & Delta-Mendota Water Authority dated as of January 1, 1992 (the “**JPA**” or “**JPA Agreement**”), by and among the parties indicated therein, establishing the Authority for the purpose of exercising the common powers of the Members, including those powers described in this Activity Agreement.

B. The Members are each empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution and use of water for irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water accepted into their respective systems; to exercise powers related to the construction, operation, or maintenance of water storage and delivery facilities; and to adopt rules and regulations necessary to the exercise of such powers.

C. The Members have each entered into contracts with the United States for water from the Central Valley Project (“**CVP**”) and receive water conveyed through the Delta-Mendota Canal, the San Luis Canal, and/or the Pacheco Pumping Plant and Tunnel.

D. For several years to come, because of hydrologic conditions and/or regulatory constraints, the operation of the CVP by the United States Bureau of Reclamation (“**Reclamation**”) will likely result in shortages of supply, which would result in less water being made available to the members of the Authority than required to meet the demands of their customers.

E. On December 12, 2011, the Authority entered into a Memorandum of Understanding regarding CalFed Bay-Delta Program Studies on the expansion of Los Vaqueros Reservoir (“**LVE MOU**”) with Contra Costa Water District (“**CCWD**”) and other water agencies.

F. Subsequently, individual Water Authority member agencies Byron-Bethany Irrigation District, Del Puerto Water District, Grassland Water District, San Luis Water District, Santa Clara Valley Water District, and Westlands Water District also entered into the MOU and individual cost share agreements to seek potential storage and/or conveyance benefits directly for their respective districts.

G. The Authority and certain individual Water Authority member agencies, together with Reclamation and other public agencies have considered the feasibility of a Phase 2 Los Vaqueros Reservoir Expansion Project (“**LVE Project**” or “**Project**”) to, among other things, develop regional water supplies for environmental water management, to improve regional water supply reliability, and to improve regional water quality, while maintaining benefits from the existing Los Vaqueros Reservoir.

H. The planning to date for the Project includes, but is not limited to, planning for the construction of an expanded reservoir with a capacity of 275,000 acre-feet, construction of a pipeline between Contra Costa Water District’s (“**CCWD**”) Transfer Pump Station and the California Department of Water Resources’ California Aqueduct at Bethany Reservoir (the “**Transfer-Bethany Pipeline**”), upgrades to the existing Transfer Pump Station facilities, and construction of the Neroly High Lift Pump Station.

I. The LVE MOU participants are in receipt of a proposed CCWD Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning (“**LVE Cost Share Agreement**”). The LVE Cost Share Agreement is for the purpose of providing cost-sharing to complete planning and preconstruction activities related to the LVE Project.

J. Some or all of the individual Water Authority member agencies that previously entered into the LVE MOU and individual cost share agreements desire to provide cost-sharing through the Water Authority’s execution of the LVE Cost Share Agreement as a “Local Agency Partner” on their behalf.

K. Each of the parties to this Activity Agreement desires to participate in the benefits and is willing to incur the obligations of the LVE Cost Share Agreement, through the joint exercise of their common powers under this Activity Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the true and correct facts recited above, and of the covenants, terms, and conditions set forth herein, the Activity Agreement Members and the Authority agree as follows:

2. DEFINITIONS

2.1. **“Activity Agreement”** or **“Agreement”** shall mean this Los Vaqueros Reservoir Expansion Project Activity Agreement.

2.2. **“Activity Agreement Expenses”** shall mean all expenses directly incurred by the Authority pursuant to this Activity Agreement, together with a share of Authority Operating Costs allocable to Members of this Activity Agreement.

2.3. **“Activity Agreement Member”** shall mean a member of the Authority who is signatory to this Activity Agreement. The Activity Agreement Members are listed on Exhibit “A” attached hereto.

2.4. **“Administration Agreements”** shall mean those certain agreements between the Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

2.5. **“Authority”** shall mean the San Luis & Delta-Mendota Water Authority.

2.6. **“Authority Operating Costs”** shall mean the Authority’s rent and other occupancy charges, acquisition costs of office furniture and equipment, including telephone, telecopy, photocopy, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of creditors, lawyers, engineers and other consultants, travel, telephone, telecopy, and photocopy expenses, and any other general administrative expenses.

2.7. **“Board of Directors”** shall mean the Board of Directors of the San Luis & Delta-Mendota Water Authority.

2.8. **“Fiscal Year”** shall mean the Authority’s March 1 – February 28/29 fiscal year.

2.9. **“JPA”** or **“JPA Agreement”** shall mean that certain Amended and Restated Joint Exercise of Powers Agreement effective January 1, 1992, establishing the Authority, as it may be amended or restated over time.

2.10. “**Participation Percentage**” shall mean each Activity Agreement Member’s allocated share of Activity Agreement Expenses determined as described in Section 8 of this Agreement and set forth on Exhibit “B” as updated from time to time.

2.11. “**LVE Cost Share Agreement**” shall mean the Contra Costa Water District Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning that is anticipated to be entered into by the Authority on behalf of the Activity Agreement Members.

2.12. “**LVE Project**” or “**Project**” shall mean the proposed project pertaining to the feasibility studies, design, permitting, and other preconstruction activities associated with a Phase 2 Los Vaqueros Reservoir Expansion Project.

2.13. All other capitalized terms used herein shall have the meanings ascribed to them in the LVE Cost Share Agreement.

3. PURPOSE OF AGREEMENT

3.1. The purpose of this Activity Agreement is to allow, through the joint exercise of some or all of the common powers of the Activity Agreement Members described in the Recitals above, as appropriate, the Activity Agreement Members to participate through the Authority in the LVE Cost Share Agreement to obtain the benefits, and to share the obligations of the LVE Cost Share Agreement under the terms set forth herein.

3.2. The parties acknowledge and agree that the Authority’s role in this Activity Agreement is to: 1) provide the umbrella joint powers agreement pursuant to which the parties may exercise their common powers and to provide coordinated services at the expense of the Activity Agreement Members; 2) negotiate, implement, and administer the LVE Cost Share Agreement in coordination with the Activity Agreement Members; 3) provide administrative services for implementation of the LVE Cost Share Agreement, including, but not limited to, providing notices, providing billing and accounting services to the Activity Agreement Members during the term hereof; and 4) undertake such additional activities and responsibilities as may be requested and funded by the Activity Agreement Members.

4. ORGANIZATION

The business of this Activity Agreement shall be conducted by the Authority at large and therefore be governed by the Board of Directors of the Authority.

5. BUDGETARY RESPONSIBILITIES OF ACTIVITY AGREEMENT MEMBERS

To the extent that the Authority prepares budgets for this Activity Agreement, the Authority shall coordinate with Activity Agreement Members in the development of any such budgets for the activities authorized by this Activity Agreement, annually or more frequently as needed, for presentation to the Board of Directors of the Authority in accordance with Section 22 of the JPA Agreement. The Authority staff will not present to the Authority Board a budget for this Activity Agreement unless and until supported by each of the Activity Agreement Members. Budgeted amounts for this Activity Agreement will be collected through the invoicing process described in Section 8 of this Activity Agreement, and, provided each of the Activity Agreement Members are in agreement, formal amendment of such budgets through Board of Directors of the Authority approval is not required for adjustments that are fully collected as required by this Activity Agreement.

6. ACCOUNTABILITY, REPORTS, AND AUDITS

6.1. Full books and accounts for this Activity Agreement shall be maintained in by the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for public entities. The books and records shall be open to inspection by the Activity Agreement Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

6.2. There shall be strict accountability of all funds deposited on behalf of the Activity Agreement with the Authority. The Treasurer of the Authority, directly or acting through its Accounting Department, shall provide regular reports of Activity Agreement accounts. Funds of the Activity Agreement shall be subject to audit by the official auditor of the Authority. An Activity Agreement Member may request an independent audit of the Activity Agreement funds; such audit shall be conducted at the expense of the requesting Activity Agreement Member.

7. ACTIVITY AGREEMENT EXPENSES AND ALLOCATION OF OPERATING COSTS

7.1. The Authority and the Activity Agreement Members agree that all Activity Agreement Expenses incurred by the Authority under this Activity Agreement are the costs of the Activity Agreement Members, and not of the Authority, and shall be paid by the Activity Agreement Members.

7.2. The Activity Agreement Members further agree that the Board of Directors is authorized to allocate a share of Authority Operating Costs, which includes a portion of costs addressed by the Administration Agreements, as part of the Activity Agreement Expenses to cover the cost to the Authority of administering this Activity Agreement.

8. PARTICIPATION PERCENTAGES

8.1. Initial Participation Percentages. Beginning with costs incurred by the Authority on or after the Effective Date, each Activity Agreement Member agrees to reimburse the Authority for an equal share of the actual costs due by the Authority under the LVE Cost Sharing Agreement, plus an equal share of any Activity Agreement Expenses. For example, if there are five (5) Activity Agreement Members, each Activity Agreement Member would agree to reimburse the Authority one-fifth (1/5th) of those costs.

8.2. Changing Participation Percentages. The Participation Percentages shall be revised in response to the withdrawal of one or more Activity Agreement Members pursuant to Section 12 of this Activity Agreement. Upon withdrawal of one or more of the Activity Agreement Members, the remaining Activity Agreement Members agree each of them will be allocated an equal share of the remaining costs due by the Authority under the LVE Cost Sharing Agreement, plus an equal share of any further Activity Agreement Expenses.

8.3. Ongoing Documentation of Participation Percentages. The Participation Percentages of each Activity Agreement Member shall be dated and attached as Exhibit "B" to this Agreement, effective upon the date approved by all Parties, without any further amendment of this Agreement being required. Any further amendments to Exhibit "B" may be made using the procedure included in this Section 8.2 without any further separate amendment of this Agreement being required.

8.4. Invoicing and Payment. The Authority shall invoice each of the Activity Agreement Members: (1) in February 2019 for its respective share of (a) fifty percent of the Authority's cost share under the LVE Cost Share Agreement, and (b) Activity Agreement Expenses; and (2) unless an Activity Agreement Member withdraws prior to June 2019, on or after July 1, 2019 for its respective share of (a) the remaining fifty percent (50%) of the Authority's cost share under the LVE Cost Share Agreement, and (b) Activity Agreement Expenses. Payments are due thirty (30) days following the receipt of the Authority's invoice.

9. SOURCE OF PAYMENTS

Each Activity Agreement Member agrees that it will timely take actions necessary to provide sufficient money to meet its obligations hereunder. Each Activity Agreement Member hereby confirms that the Authority and other Activity Agreement Members are third party beneficiaries of such Activity Agreement Member's obligations under this Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

10. INDEMNIFICATION OF AUTHORITY MEMBERS WHO DO NOT PARTICIPATE IN THIS ACTIVITY AGREEMENT

The Activity Agreement Members shall hold the Authority and each of its members who are not Activity Agreement Members, free and harmless from and indemnify each of them against any and all costs, losses, damages, claims, and liabilities arising from this Activity Agreement. This indemnification obligation includes the obligation of the Activity Agreement Members to defend the Authority, and all members of the Authority that are not participants in this Activity Agreement, at the sole expense of the Activity Agreement Members, in any action or proceeding brought against the Authority or any of its members not participating in this Activity Agreement to recover any such costs, losses, damages, claims, or liabilities arising from this Activity Agreement.

11. TERM

This Activity Agreement shall take effect on the date it is executed by the Authority and at least two Members and shall remain in full force and effect until: (1) this Activity Agreement is rescinded or terminated by the Authority and the Activity Agreement Members, (2) the LVE Cost Share Agreement is rescinded, terminated, or expires, or (3) the Authority withdraws from or is no longer a party to the LVE Cost Share Agreement.

12. WITHDRAWAL FROM FURTHER PARTICIPATION

12.1. An Activity Agreement Member may withdraw from this Activity Agreement at any time by providing written notice to the Authority and the other Activity Agreement Members. The withdrawal shall be effective fifteen (15) days after sending the written notice. A withdrawing Activity Agreement Member shall not be entitled to a return of any money paid pursuant to Section 8.4. However, if a withdrawing Activity Agreement Member withdraws prior to May 16, 2019, the withdrawing Activity Agreement Member shall have no obligation to pay any remaining share of the Authority's cost under the LVE Cost Share Agreement or any additional Activity Agreement Expenses.

12.2. If all but one of the Activity Agreement Members provide notice of withdrawal from this Agreement, the Authority shall: (1) provide notice of withdrawal from the LVE Cost Share Agreement, and (2) cooperate with the one Activity Agreement Member that did not provide notice of withdrawal from this Agreement, to ensure that the Activity Agreement Member joins and is assigned: (a) the Authority's rights and obligations under the LVE Cost Share Agreement, and (b) the Authority's Project benefits.

12.3. If the Authority withdraws from the LVE Cost Share Agreement and, CCWD returns to the Authority money paid, the Authority shall use its best efforts to ensure that money is refunded proportionately to the Activity Agreement Members that initially contributed it.

13. INITIAL MEMBERSHIP/ADMISSION OF NEW MEMBERS

Members of the Authority may become Members of this Activity Agreement through March 30, 2019. After March 30, 2019, admission of new Members shall require the prior written agreement of the parties to this Agreement, which will include terms, if necessary, to ensure the Activity Agreement Members do not bear undue financial obligations.

14. MISCELLANEOUS

14.1. Amendments. This Agreement may be amended in writing by the parties hereto.

14.2. Assignment; Binding on Successors. Except as otherwise provided in this Activity Agreement, the rights and duties of the Activity Agreement Members may not be assigned or delegated without the written consent of the Authority. Any attempt to assign or delegate such rights or duties in contravention of this Activity Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities, and other obligations of the Authority then in effect. This Activity Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Activity Agreement Members.

14.3. Counterparts. This Activity Agreement may be executed by the Authority and the Activity Agreement Members in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14.4. Choice of Law. This Activity Agreement shall be governed by the laws of the State of California.

14.5. Severability. If one or more clauses, sentences, paragraphs or provisions of this Activity Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Activity Agreement Members and the Authority that the remainder of the Activity Agreement shall not be affected thereby.

14.6. Headings. The titles of sections of this Activity Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Activity Agreement shall be drawn therefrom.

14.7. Reasonable Cooperation. Activity Agreement Members will reasonably cooperate with each other and the Authority to perform the obligations under this Activity Agreement, assist the Authority when necessary in carrying out its obligations under the LVE Cost Share Agreement, and to carry out the purpose and intent of this Activity Agreement.

IN WITNESS WHEREOF, the Members and the Authority have executed this Activity Agreement as of the date appearing next to their respective signature lines:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____
Name: _____
Title: _____
Date: _____

ACTIVITY AGREEMENT MEMBERS

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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EXHIBIT A
LVE PROJECT ACTIVITY AGREEMENT MEMBERS

[POTENTIAL LIST]

Byron-Bethany Irrigation District

Del Puerto Water District

Pacheco Water District

Panoche Water District

San Luis Water District

Westlands Water District

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EXHIBIT B

ALLOCATION OF EXPENSES AMONG ACTIVITY AGREEMENT MEMBERS

Activity Agreement Members	Allocation (%)
Byron-Bethany Irrigation District	Equal Share (1/6th or 16.67%)
Del Puerto Water District	Equal Share (1/6th or 16.67%)
Pacheco Water District	Equal Share (1/6th or 16.67%)
Panoche Water District	Equal Share (1/6th or 16.67%)
San Luis Water District	Equal Share (1/6th or 16.67%)
Westlands Water District	Equal Share (1/6th or 16.67%)

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