



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer
Joe McGahan, Drainage Coordinator,
Rebecca Akroyd, General Counsel

DATE: April 8, 2021

RE: Adoption of Resolution Authorizing Execution of Agreement with Panoche Water District for the Provision of O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Project

BACKGROUND

The Water Authority previously entered into agreements with Panoche Drainage District (“PDD”), which authorized PDD to provide specified operation and maintenance (“O&M”) services for the conveyance facilities for the Grassland Bypass Project, including on specific portions of San Luis Drain. The Water Authority Board first authorized execution of such an agreement in 1996, via Resolution No. 1996-138, and then execution of an addendum to the 1996 agreement in 2002, via Resolution No. 2002-200.

The Water Authority and PDD have both continued to perform certain portions of O&M activities on the San Luis Drain. They now desire to supersede the 1996 agreement and 2002 addendum, and modify the preexisting arrangement such that Panoche Water District will provide enumerated O&M activities for that portion of the San Luis Drain that is used for purposes of the Grassland Bypass Project Long-Term Storm Water Management Plan, while the Water Authority provides other administrative and O&M activities for the San Luis Drain.

ISSUE FOR DECISION

Whether the Board should adopt the Resolution Authorizing Execution of Agreement with Panoche Water District for the Provision of Ongoing O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Project and CEQA Exemption.

RECOMMENDATION

Staff recommends adoption of the proposed Resolution.

ANALYSIS

Since 1992, the Water Authority has been responsible to the United States, Department of the Interior Bureau of Reclamation (“Reclamation”) for providing specified baseline operation and

maintenance services (“Baseline O&M Activities”) on the federally-owned San Luis Drain under a series of agreements and performance work statements. Most recently, the Authority entered into that certain Agreement between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. “Bill” Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O’Neill Pumping/Generating Plant, San Luis Drain and Associated Works, Contract No. 8-07-20-X0354-X (the “Transfer Agreement”), which requires the Authority to operate and maintain certain enumerated Project Works, including the San Luis Drain.

The Baseline O&M Activities for the San Luis Drain have not been updated over the years and are currently described in items 1 through 5 of Section 5.7.1 of Exhibit D to the Transfer Agreement. Section 5.7.1 of Exhibit D to the Transfer Agreement also provides that “the Authority shall have no obligation to provide operation or supplemental maintenance functions for any segments of the San Luis Drain for which a use agreement has been entered,” wherein “Supplemental Maintenance” is defined as “any maintenance, including panel or lining replacement, necessary for maintenance of the Drain as a useable facility pursuant to a use agreement, and includes but is not limited to maintenance of any facilities modifying, added to or related to the San Luis Drain which may be constructed or installed pursuant to any use agreement.”

Since 1995, the Authority has entered into a series of “Use Agreements” with the United States of America for use of that portion of the San Luis Drain between Check 19 (Milepost 105.72) and the terminus of the San Luis Drain, including most recently, that certain Use Agreement for the Grassland Bypass Project Long-Term Storm Water Management Plan, Contract No. 20-LC-20-2605-A (“Use Agreement”). The Authority has entered into the Use Agreements for the benefit of its members and Participating Parties participating in the Grassland Bypass Drainage Management Activity Agreement, including Camp 13 Drainage District, Charleston Drainage District, Firebaugh Canal Water District, Pacheco Water District, and PDD.

The 1996 agreement and 2002 addendum provide the current rubric for PDD to perform O&M on the San Luis Drain for the benefit of Activity Agreement members. However, the Water Authority and Panoche Water District now desire to update the list of O&M Activities that Panoche Water District will perform, and supersede the prior agreements in doing so.

BUDGET

No change in budget implications. The costs associated with Panoche Water District’s provision of O&M Activities will continue to be paid for by Grassland Basin Drainage Management Activity Agreement Members.

ATTACHMENTS

1. Proposed Resolution

Memo to SLDMWA Board of Directors

April 8, 2021

Page **3** of **3**

2. Agreement with Panoche Water District for the Provision of O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Project, including attachments
3. Resolution No. 2002-200
4. Resolution No. 1996-138

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2021-

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT WITH PANOCHÉ
WATER DISTRICT FOR THE PROVISION OF ONGOING O&M ACTIVITIES ON
THE SAN LUIS DRAIN FOR PURPOSES OF THE GRASSLAND BYPASS PROJECT;
CEQA EXEMPTION**

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the “Board” and the “Water Authority,” respectively), previously adopted resolutions approving the Grassland Basin Drainage Management Activity Agreement (the “Activity Agreement”) and execution of the Agreement for Use of the San Luis Drain (the “Use Agreement”) for and behalf of Water Authority members who participate in the Activity Agreement; and

WHEREAS, the Board by Resolution No. 1996-138 previously authorized execution of an agreement with Panoche Drainage District to provide operation and maintenance (“O&M”) services for the conveyance facilities for the Grassland Bypass Project (“1996 Agreement”); and

WHEREAS, the Board by Resolution No. 2002-200 previously authorized execution of that certain Addendum to Agreement Between the San Luis & Delta-Mendota Water Authority and the Panoche Drainage District for the Provision of Supplemental O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Channel Project (“2002 Addendum”); and

WHEREAS, the Water Authority and Panoche Drainage District have both continued to perform certain portions of O&M activities on the San Luis Drain, and now desire to supersede the 1996 Agreement and the 2002 Addendum, and modify the arrangement such that Panoche Water District will provide enumerated O&M activities for that portion of the San Luis Drain that is used for purposes of the Grassland Bypass Project Long-Term Storm Water Management Plan, while the Water Authority provides other administrative and O&M activities for the San Luis Drain; and

WHEREAS, the Steering Committee of the Grassland Basin Drainage Management Activity Agreement has recommended that the Board adopt the “Agreement for the Provision of O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Project” (“2021 Agreement”) in substantially the form presented, subject to such additions, deletions, and revisions as are approved by the executing officers prior to execution, said execution to provide conclusive evidence of such approval; and

WHEREAS, under the 2021 Agreement, ongoing administrative and O&M activities will continue with no expansion of service and no new facilities constructed, expanded, or otherwise substantially modified.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

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

Section 2. The Board finds that the 2021 Agreement is exempt from the California Environmental Quality Act (“CEQA”) because the 2021 Agreement makes no substantial changes to preceding agreements in relation to the existing physical environment; involves no increase in existing service; and no new construction, expansion, or any substantial modification to existing facilities.

Section 3. Executive Director Federico Barajas is hereby authorized and directed, for and behalf of the Water Authority acting for the benefit of the Grassland Basin Drainage Management Activity Agreement Members, to execute the 2021 Agreement in substantially the form presented to the Board and on file with the Secretary hereof, subject to such additions, deletions, and revisions as may be approved by the executing officer, said execution to provide conclusive evidence of said approval.

PASSED, APPROVED AND ADOPTED this day of April, 2021, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chairman

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the __th day of April, 2021.

Federico Barajas, Secretary

AGREEMENT FOR THE PROVISION OF O&M ACTIVITIES ON THE SAN LUIS DRAIN FOR PURPOSES OF THE GRASSLAND BYPASS PROJECT

This Agreement for the Provision of O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Project (“**Agreement**”) is made and entered into by and between the San Luis & Delta-Mendota Water Authority, a joint powers agency formed pursuant to California Government Code section 6500 et seq. (“**Authority**”), and the Panoche Water District, a California water district formed pursuant to the California Water Code, sections 34000, et seq. (“**PWD**”), which are referred to herein individually as a “**Party**” and collectively as “**Parties.**”

RECITALS

A. Since 1992, the Authority has been responsible to the United States, Department of the Interior Bureau of Reclamation (“**Reclamation**”) for providing specified baseline operation and maintenance services (“**Baseline O&M Activities**”) on the federally-owned San Luis Drain under a series of agreements and performance work statements; and

B. Most recently, the Authority entered into that certain Agreement between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. “Bill” Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O’Neill Pumping/Generating Plant, San Luis Drain and Associated Works, Contract No. 8-07-20-X0354-X (the “**Transfer Agreement**”), which requires the Authority to operate and maintain certain enumerated Project Works, including the San Luis Drain; and

C. The Baseline O&M Activities for the San Luis Drain have not been updated over the years and are currently described in items 1 through 5 of Section 5.7.1 of Exhibit D to the Transfer Agreement), which is attached as **Exhibit 1** to this Agreement; and

D. Section 5.7.1 of Exhibit D to the Transfer Agreement also provides that “the Authority shall have no obligation to provide operation or supplemental maintenance functions for any segments of the San Luis Drain for which a use agreement has been entered,” wherein “Supplemental Maintenance” is defined as “any maintenance, including panel or lining replacement, necessary for maintenance of the Drain as a useable facility pursuant to a use agreement, and includes but is not limited to maintenance of any facilities modifying, added to or related to the San Luis Drain which may be constructed or installed pursuant to any use agreement;” and

E. Since 1995, the Authority has entered into a series of “Use Agreements” with the United States of America for use of that portion of the San Luis Drain between Check 19 (Milepost 105.72) and the terminus of the San Luis Drain, including most recently, that certain Use

Agreement for the Grassland Bypass Project Long-Term Storm Water Management Plan, Contract No. 20-LC-20-2605-A (“**Use Agreement**”); and

F. The Authority has entered into such Use Agreements for the benefit of its members and Participating Parties participating in the Grassland Bypass Drainage Management Activity Agreement, including Camp 13 Drainage District (covering a portion of the Central California Irrigation District), Charleston Drainage District (covering portions of the Central California Irrigation District and San Luis Water District), Firebaugh Canal Water District, Pacheco Water District, and Panoche Drainage District (covering the service area of the Eagle Field Water District, Mercy Springs Water District, Oro Loma Water District, and Panoche Water District) (the “**Activity Agreement Members**”); and

G. On or about December 12, 1996, the Authority and Panoche Drainage District entered into that certain “Agreement between the San Luis & Delta-Mendota Water Authority and the Panoche Drainage District for the Provision of Supplemental O&M Activities of the San Luis Drain for Purposes of the Grassland Bypass Channel Project,” (the “**1996 Agreement**”), attached as **Exhibit 2** to this Agreement; and

H. On or about February 22, 2002, the Authority and Panoche Drainage District executed that certain “Addendum to the Agreement between the San Luis & Delta-Mendota Water Authority and the Panoche Drainage District for the Provision of Supplemental O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Channel Project” (the “**2002 Addendum**”), which is attached as **Exhibit 3** to this Agreement; and

I. The Authority and Panoche Drainage District have both continued to perform certain portions of the Baseline O&M Activities and, as of the Effective Date and despite the 2002 Addendum, the Parties now desire to supersede the 1996 Agreement, the 2002 Addendum, and any prior understandings and update, clarify, and continue the arrangement, except that PWD shall henceforth provide the enumerated Baseline O&M Activities and Supplemental Maintenance for that portion of the San Luis Drain that is used for purposes of the Grassland Bypass Project Long-Term Storm Water Management Plan (together, “**O&M Activities**”), while the Authority provides other administrative and operation and maintenance activities for the San Luis Drain; and

J. The Authority desires for PWD to provide the O&M Activities under the terms and conditions hereinafter set forth, and PWD is willing to perform the O&M Activities for the benefit of the Activity Agreement Members; and

NOW, THEREFORE, based on the Recitals set forth above and on the terms and conditions set forth herein, the Parties agree as follows:

AGREEMENT

1. Effective Date and Term. This Agreement will be effective as of March 1, 2021 (the “**Effective Date**”), and will remain in full force and effect for the duration of the Grassland Bypass Project Long-Term Storm Water Management Plan, or until thirty (30) days after either Party provides notice of its termination to the other Party in accordance with Section 8 below.

2. O&M Activities. PWD shall provide to the Authority the O&M Activities listed below between Check 19 and the terminus of the San Luis Drain:

- (a) Maintain/replace warning signs, such as “STOP” and “HIGH VOLTAGE OVERHEAD”.
- (b) Grade/maintain operation and maintenance roads.
- (c) Control vegetation on the roads and inside canal banks.
- (d) Remove junk/debris dumped on San Luis Drain right of way.
- (e) Check structure maintenance required to operate San Luis Drain.
- (f) Fence and gate maintenance/repair activities necessary to protect the public.
- (g) Channel float line maintenance activities necessary to protect the public.
- (h) Patrol the San Luis Drain to monitor water flow; adjust stoplogs at check structures to control water flow, as necessary; and any water quality and biological monitoring required by Reclamation. Patrol will be no less than weekly when the San Luis Drain is not in use and as frequently as daily, weather permitting, when the San Luis Drain is in use.

(i) Maintenance and replacement of wood stoplogs located at each of the check structures including and between the inlet structure located at San Luis Drain Milepost 105.72 and the outlet drop structure located at San Luis Drain Milepost 78.64.

(j) Any operation and maintenance activities that have the potential to affect threatened or endangered species shall be conducted in accordance with the consultation among Reclamation, the Authority, the United States Fish & Wildlife Service, and any other appropriate agencies.

(k) For purposes of this Agreement, the term “operation” or “operational” shall refer to those activities necessary for the conveying of water through the facilities or channels referred to herein. The Parties acknowledge and agree that PWD shall have no authority or ability hereunder to operate the system in a manner that controls the quantity, quality, or sediment load of the water discharged into the San Luis Drain, and said authority and ability to control the quantity, quality or sediment load in water discharged into the San Luis Drain operated hereunder shall remain with the parties to the Grassland Basin Drainage Management Activity Agreement and any Memoranda of Understanding executed in relation thereto actually making such discharges.

(l) Compliance Inspections. The Parties will complete compliance inspections of the O&M Activities required by this Agreement on a mutually agreed upon schedule, beginning with quarterly inspections. At a minimum, the inspections shall be conducted annually. Both

Authority and PWD staff shall jointly participate in these inspections, which will document any unperformed O&M Activities and develop a mutually agreed upon schedule for completion of the unperformed O&M Activities. If O&M Activities are not performed per the mutually agreed upon schedule, the Authority will perform the work. All costs associated with the Authority's work shall be paid by the Activity Agreement Members from the Grassland Basin Management Activity Agreement budget funds.

(m) Authority Activities. The Authority will continue to perform all other required administrative and operation and maintenance activities for the San Luis Drain not specifically enumerated above as O&M Activities, including but not limited to such activities for portions of the San Luis Drain located south of Check 19.

3. Billing and Reimbursement. The PWD shall send one (1) invoice monthly to the Authority for reimbursement of all payroll, equipment charges, costs of materials or services, power costs, and administrative costs (including but not limited to any insurance costs), pursuant to this Agreement. The Authority shall promptly provide payment to the PWD from the Grassland Basin Drainage Management Activity Agreement budget funds. The current contact information for invoicing shall be as follows:

Attn: Felicia Luna, A/P Technician
San Luis & Delta-Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635
Email: Felicia.Luna@sldmwa.org

The Authority may change this contact information by written or emailed notice to PWD without any further amendment of this Agreement being required.

(a) PWD shall bill the Authority for the cost of labor actually provided for O&M Activities, based upon records of the hours and nature of work performed each day, as noted on the timecards of PWD personnel.

(b) PWD shall bill the Authority for the cost of all equipment provided in accordance with the rate schedule for use of such equipment, which may be inclusive of the labor cost necessary to operate the equipment, attached hereto as **Exhibit 4** and by this reference incorporated herein. Such rate schedule may be revised and updated from time to time and shall be attached hereto and upon attachment, shall amend this Agreement by incorporation herein. The hours of use for each item of equipment shall be as recorded on a job basis and submitted to the Authority with the monthly invoice.

(c) PWD shall bill the Authority for the actual cost of all materials and services, which are required for the performance of the O&M Activities. PWD shall submit to the Authority the actual invoice cost for all such materials and services, along with a copy of the originating invoice.

(d) Annual Budget. The Grassland Basin Drainage Management Activity Agreement Steering Committee ("**GBD Steering Committee**") will annually consider and recommend for approval allocating budget funds to cover the O&M Activities costs arising from this Agreement, Agreement for the Provision of O&M Activities on the San Luis Drain for Purposes of the Grassland Basin Project

and will acknowledge below that such funds are payable to PWD pursuant to this Agreement. Such budget allocations will be provided to the Authority for consideration by its Board of Directors in accordance with standard budgeting procedures of the Authority.

4. Insurance. At all times during the term of this Agreement, PWD shall maintain the following insurance, or such alternate insurance as may be required by the Authority from time to time.

- (a) Workers' Compensation insurance and occupational disease insurance, as required by law, with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- (b) Employer's liability insurance, with minimum limits of \$1,000,000, covering all workplaces involved in the Agreement.
- (c) Commercial General Liability Insurance in an amount not less than \$2,000,000 combined single limit per occurrence for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, PWD's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than two million dollars (\$2,000,000) for each occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (d) Commercial Automobile Insurance for all owned, non-owned and hired vehicles used by PWD in the performance of its services under this Agreement with a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- (e) Professional Liability Insurance, written on a "Claims Made Basis," with limits of liability in amounts not less than \$1,000,000 per claim and \$2,000,000 aggregate, insuring PWD, for its own acts and for the acts of all persons for whose acts PWD may be liable, against liabilities arising out of or in connection with negligent acts, errors, or omissions in connection with the carrying out of their professional responsibilities under the Agreement. PWD shall provide the Authority proof of professional liability insurance coverage for two years following final completion of the Agreement.

5. Indemnity.

(a) PWD shall, with respect to all work which is covered by or incidental to this Agreement, defend, indemnify, and hold harmless the Authority, its officers, directors, agents, representatives and employees (collectively the "Authority Indemnitees"), from and against any and all liens and claims asserted by firms or individuals claiming through PWD, and claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons,

injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this Agreement by PWD or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement. PWD's duty shall include the duty to defend the Authority Indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and PWD shall employ counsel reasonably acceptable to the Authority for this defense obligation. PWD shall not be obligated under the Agreement to indemnify the Authority Indemnitees to the extent that the damage is caused by the active or sole negligence or willful misconduct of the Authority or its agents or servants other than PWD.

(b) The Authority shall defend, indemnify, and hold harmless PWD, its officers, directors, agents, representatives and employees (collectively "PWD Indemnitees") from and against any and all claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons, injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this Agreement by the Authority or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement other than PWD. The Authority's duty shall include the duty to defend the PWD Indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and the Authority shall employ counsel reasonably acceptable to PWD for this defense obligation. The Authority shall not be obligated under the Agreement to indemnify PWD Indemnitees to the extent that the damage is caused by the active or sole negligence or willful misconduct of PWD or its agent or servants.

6. Compliance with Laws. In performing their respective duties hereunder, the Parties shall comply with all applicable laws and regulations of federal, state, and local governments.

7. Effect on Transfer Agreement and Use Agreement. Nothing in this Agreement will alter the terms and conditions in the existing Transfer Agreement and Use Agreement governing the Authority's obligations to operate and maintain Project Works, including the San Luis Drain.

8. Termination. This Agreement may be terminated by either party upon thirty (30) days' written notice, with or without cause, upon written notification to the other Party. Following such termination, the Authority shall pay PWD, utilizing Grassland Basin Management Activity Agreement budget funds, all unpaid sums due for services performed under this Agreement to the date of termination.

9. Party Representatives and Notices. Each Party's designated representative for administration of this Agreement and receipt of notices is identified below. All notices or other communications provided for by the Agreement must be in writing and be sent by (1) personal delivery; (2) nationally-recognized overnight delivery service (such as Federal Express) that provides evidence of delivery; (3) first class U.S. Mail (postage prepaid), register or certified,

return receipt requested; or (4) e-mail with a copy by first class U.S. Mail. Notices will be set to the following **Party Representatives** at the following addresses:

<u>Authority</u>	<u>PWD</u>
Federico Barajas, Executive Director San Luis & Delta-Mendota Water Authority P.O. Box 2157 Los Banos, CA 93635 E-mail: federico.barajas@sldmwa.org Phone: (209) 826-9696	Ara Azhderian, General Manager Panoche Water District 52027 W. Althea Ave. Firebaugh, CA 93622 E-mail: aazhderian@panochewd.org Phone: (209) 364-6136

Notice will be deemed received on the date actually delivered if delivered by personal delivery, overnight delivery, or U.S. Mail with return receipt requested and delivered during normal business hours on a business day. Notice by e-mail will be deemed delivered on the date of transmission, unless the same is after 5:00 p.m. or on a weekend or holiday, in which event delivery will be on the next business day. A Party may change its address for notices under the Agreement by giving notice in writing as provided herein, without any further amendment of this Agreement being required.

10. Amendment and Modification. This Agreement may be amended or modified only by a subsequent writing, approved and signed by both Parties.

11. Entire Agreement. This Agreement constitutes the sole, entire, integrated, and exclusive agreement between the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, or representations not expressly set forth or referenced in this writing are null and void and of no force and effect.

12. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

13. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

14. Assignment. PWD shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Authority. Any purported assignment or delegation in violation of this section shall be null and void. No assignment or delegation shall relieve PWD of any of its obligations under this Agreement.

15. Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

16. Relationship of the Parties. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

17. Choice of Law. This Agreement and all related documents, including all exhibits attached hereto, are governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the Parties execute this Agreement on the date set forth below.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

PANOCHÉ WATER DISTRICT

By: _____
Federico Barajas
Executive Director

By: _____
Ara Azhderian
General Manager

Date: _____

Date: _____

I, Joseph C. McGahan, Regional Coordinator of the Grassland Basin Drainage Management Activity Agreement, hereby acknowledge that the Steering Committee of the Activity Agreement on _____, 2021 considered and approved this Agreement, has approved funds in the Grassland Basin Drainage Management Activity Fiscal Year 2022 Budget to cover the costs arising from the Agreement in such fiscal year, and I acknowledge that such funds are payable to Panoche Water District pursuant to this Agreement.

By: _____
Joseph C. McGahan, Regional Drainage Coordinator
Grassland Basin Drainage Management Activity Agreement

EXHIBIT D

BASELINE OM&R ACTIVITIES FOR THE SAN LUIS DRAIN

San Luis & Delta-Mendota Water Authority

5.7 SAN LUIS DRAIN AND REDFERN DRAIN

5.7.1 General

The Authority shall provide baseline operation and maintenance functions for the San Luis Drain. The baseline level of maintenance required is that necessary to protect the public, protect the government from liability, and prevent deterioration of the facility. The baseline level of maintenance consists of the following work:

1. *Maintain/replace STOP signs and HIGH VOLTAGE OVERHEAD signs.*
2. *Grade/maintain operation and maintenance roads.*
3. *Vegetation control on the roads and inside canal banks.*
4. *Remove junk/debris dumped on Drain right of way.*
5. *Check structure maintenance required to operate Drain.*
6. *Redfern Drain maintenance.*

If Reclamation, at a later date, determines that the San Luis Drain should be made fully operational, the operation and maintenance functions as described below shall constitute operation and maintenance functions for all segments of the Drain and related facilities; provided, however, the Authority shall have no obligation to provide operation or supplemental maintenance functions for any segments of the San Luis Drain for which a use agreement has been executed. 'Supplemental Maintenance' is defined as any maintenance, including panel or lining replacement, necessary for maintenance of the Drain as a useable facility pursuant to a use agreement, and includes but is not limited to maintenance of any facilities modifying, added to or related to the San Luis Drain which may be constructed or installed pursuant to any use agreement.

5.7.1.1 The Authority shall operate and maintain the drains, the surrounding right-of-way and all appurtenances listed in Technical Exhibit 4B, to meet the serviceability standards established in the mandatory directives stated in this Performance Work Statement, provided, however, the Authority shall not be obligated to operate any segment of the Drain for which a license or use agreement has been granted, except as specifically provided herein.

5.7.1.2 The availability of funds will dictate the level of maintenance performed on the San Luis Drain. At a minimum the baseline level of maintenance, as mentioned in paragraph 5.7.1, shall be performed. The maintenance standards for normal maintenance on the San Luis Drain are described in this Section of the Performance Work Statement.

5.7.1.3 In the event there is no standard or procedure for a function, it shall be the responsibility of the Authority to develop such standards and procedures subject to approval by a designated Reclamation official before the proposed standards and procedures are implemented by the Authority. If the Authority determines that established standards and procedures should be changed, such changes shall be written and provided to the GCAO through the Government Representative (GR). Any changes must receive written approval from the GCAO before being implemented by the Authority.

5.7.1.4 The Authority shall review applications and may issue permits for temporary uses of the San Luis Drain for one year or less which do not involve a use for discharge into any waters of the

AGREEMENT BETWEEN THE
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
AND THE PANOCHÉ DRAINAGE DISTRICT
FOR THE PROVISION OF OPERATION & MAINTENANCE ACTIVITIES
ON THE GRASSLAND BYPASS CANAL FOR PURPOSES
OF THE GRASSLAND BYPASS CHANNEL PROJECT

This Agreement, made this 12th day of December, 1996, by and between the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (the "Authority"), acting for and on behalf of its members and certain other parties participating in the Grassland Bypass Channel Project through the Grassland Basin Drainage Management Activity Agreement and related Memoranda of Understanding, and the PANOCHÉ DRAINAGE DISTRICT, (the "PDD") a public agency of the State of California.

RECITALS

A. The Authority has entered in to that certain Use Agreement for the San Luis Drain with the United States for the Grassland Bypass Channel Project.

B. The Authority has obtained easements or grants of right-of-way and has reconstructed or constructed an earthen channel and check structures (the "Grassland Bypass Canal") to control and convey the combined drainage of the PDD, Pacheco Water District, Charleston Drainage District, Broadview Water District, Firebaugh Canal Water District, Widren Water District, and Camp 13 Drainers from the point of confluence of drainage from these areas to the inlet structure on the San Luis Drain, which Grassland Bypass Canal must be operated and maintained in order to carry out the Grassland Bypass Channel Project.

C. The operation and maintenance activities required for the Grassland Bypass Canal consists primarily of 1) operational requirements consisting of daily patrol of the Grassland Bypass Canal to monitor water flow; daily adjustments of stoplogs at check structures to control water flow; and daily, weekly, monthly and quarterly water quality and biological monitoring; and 2) maintenance requirements consisting of excavation for silt and erosion control, spraying for weed control, riser and weir board maintenance, and road maintenance for accessibility.

D. The environmental commitments of the Finding of No Significant Impact for the Grassland Bypass Channel Project require that any operation and maintenance activities that have the potential to affect threatened or endangered species, as determined by consultation with the United States Fish & Wildlife Service, be conducted in accordance with such consultation.

E. The Authority has previously entered into an agreement to obtain professional services for biological monitoring required for the Grassland Bypass Channel Project.

F. The Authority and PDD are willing to enter into an agreement for PDD to provide the services required for the operation and maintenance of the Grassland Bypass Canal, except for the biological monitoring services, on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the facts stated in the recitals above and of the terms and conditions set forth below, the parties agree as follows:

Section 1. Term of Agreement. This Agreement shall be effective as of September 19, 1996, and shall remain in full force and effect for the duration of the Grassland Bypass Channel Project, or until 30 days after either party provides notice of its termination to the other party.

Section 2. O&M Services. PDD shall provide to the Authority all operation and maintenance services, except for biological monitoring services, required to operate and maintain Mud Slough and the Grassland Bypass Canal in accordance with the following:

2.1. Operational services shall include daily patrol of the Grassland Bypass Canal to monitor water flow; daily adjustments of stoplogs at check structures to control water flow; and daily, weekly, monthly and quarterly water quality monitoring.

2.2 Maintenance services shall include excavation for silt and erosion control, spraying for weed control, riser and weir board maintenance, and road maintenance for accessibility.

2.3 Any operation and maintenance activities that have the potential to affect threatened or endangered species shall be conducted in accordance with the consultation between the Bureau of Reclamation, the Authority, and the United States Fish & Wildlife Service.

2.4. For purposes of this agreement, the term "operation" or "operational" shall refer to those activities necessary for the conveying of water through the facilities or channels referred to herein. The parties acknowledge and agree that PDD shall have no authority or ability hereunder to operate the system in a manner that controls the quantity, quality, or sediment load of the water discharged into the channels operated hereunder, except for water discharged by PDD from lands within PDD, and said authority and ability to control the quantity,

quality or sediment load in water discharged into the channels operated hereunder shall remain with the parties to the Grassland Basin Drainage Management Activity Agreement and any Memoranda of Understanding executed in relation thereto actually making such discharges.

Section 3. Billing and Reimbursement. The PDD shall send invoices to the Authority monthly for reimbursement of all payroll, equipment charges, costs of materials or services, power costs, and administrative costs, including but not limited to any insurance costs, incurred by PDD pursuant to this Agreement, and the Authority shall promptly reimburse the PDD therefor from the Grassland Basin Drainage Management Activity Agreement Budget.

3.1. PDD shall bill the Authority for the cost of labor actually provided to the Authority, based upon records of the hours and nature of work performed each day, as noted on the timecards of the PDD personnel.

3.2. PDD shall bill the Authority for the cost of all equipment provided in accordance with the rate schedule for use of such equipment attached hereto as Exhibit "A" and by this reference incorporated herein. Such rate schedule may be amended from time to time; such amendments shall be attached hereto and upon attachment, shall amend this Agreement by incorporation herein. The hours of use for each item of equipment shall be as recorded on the operating personnel's daily time card.

3.3. PDD shall bill the Authority for all materials and services which are required for the purposes of this agreement by submitting the actual invoice cost for all such materials.

Section 4. Insurance. At all times during the term of this Agreement, PDD shall have in effect the following insurance, or such alternate insurance as may be required by the Authority from time to time.

4.1. General liability coverage for bodily injury, personal injury and property damage with a per occurrence/aggregate limit of at least \$1 million/\$2 million with the Authority named as an additional insured with the ISO CG 2010 endorsement form or equivalent, and automobile liability insurance with combined single limit per accident coverage for bodily injury and property damage in the amount of \$1 million.

4.2. Workers' compensation coverage with limits as required by the Labor Code of the State of California, and employer's Liability limits of \$1 million per accident.

Section 5. PDD Hold Harmless and Indemnification. PDD shall indemnify, defend and hold harmless the Authority and its officers, officials, employees and volunteers from and against all

claims, damages, losses and expenses, including attorneys' fees, arising out of PDD's performance of its obligations hereunder; provided, that nothing herein contained shall impose on PDD, nor relieve the Authority, acting solely for and on behalf of the members of the Grassland Basin Drainage Management Activity Agreement and other participants in that agreement through memoranda of understanding, of liability for claims, damages, losses and expenses, including attorneys' fees, arising out of the active negligence, sole negligence, or willful misconduct of the Authority, its officers, officials, employees and volunteers; provided, further, that nothing contained herein shall be interpreted so as to give rise to a duty to indemnify, defend or hold harmless a party for breach of this Agreement.

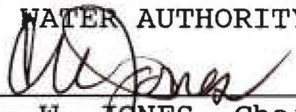
Section 6. Authority Hold Harmless and Indemnification.

The Authority, acting solely for and on behalf of the members of the Grassland Basin Drainage Management Activity Agreement and other participants in the Grassland Basin Drainage Management Activity Agreement, shall indemnify, defend and hold harmless the PDD and its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses, including attorneys' fees, alleged to have arisen on account of PDD's activities under this Agreement relating to the management or removal of silt or sediment, or for the quantity or quality of water discharged into or from the Grassland Bypass Canal, into or from the San Luis Drain or into or from Mud Slough into the San Joaquin River in connection with the Grassland Bypass Channel Project.

Section 7. Compliance with Laws. In performing their respective duties hereunder, PDD and the Authority shall comply with all applicable laws and regulations of federal, state and local governments.

IN WITNESS WHEREOF, the parties have executed this Agreement on the year and first set forth above.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By  _____
C. W. JONES, Chairman

By  _____
DANIEL G. NELSON, Secretary

PANOCHÉ DRAINAGE DISTRICT

By  _____
MIKE LINNEMAN, President

By  _____
MICHAEL STEARNS, Secretary

EXHIBIT "A"

**PANOCHE WATER DISTRICT
EQUIPMENT RENTAL SCHEDULE (CONTRACT)**

	<u>EQUIPMENT W/OPERATOR</u>	<u>NUMBER</u>
AUTO'S & AUTO'S & PICKUP'S	\$ 4.00	
TRUCK'S		
1983 CHEVROLET SIDE DUMP	\$ 22.00	# 07
1962 CEVROLET SERVICE TRUCK	\$ 18.00	# 08
1953 STUDE BOOM TRUCK	\$ 23.00	# 09
1952 GMC DUMP TRUCK	\$ 22.00	# 12
FORD DUMP TRUCK	\$ 22.00	# 14
1980 FORD SERVICE TRUCK	\$ 20.00	# 16
1970 INTL FLAT BED TRUCK	\$ 20.00	# 18
1987 GMC DUMP TRUCK	\$ 22.00	# 20
1973 GMC SPRAY RIG	\$ 22.00	# 24SP
1959 GMC WATER TRUCK	\$ 25.00	# 28WT
1970 DODGE DUMP TRUCK	\$ 22.00	# 52
1985 GMC SPRAY RIG	\$ 23.00	# 53SP
1953 STUDE BOOM TRUCK	\$ 23.00	# 71
DRAGLINE		
LINKBELT PORTABLE 1/2 YARD (CLAM)	\$ 50.00	# 48C
(FORK)	\$ 60.00	# 48F
TRACTOR'S		
1948 D-4 CAT DOZER	\$ 35.00	# 13
1948 D7 CAT DOZER	\$ 45.00	# 14
1968 F-608 DIESEL WHEEL TRACTOR	\$ 25.00	# 15
1948 CAT GRADER #12	\$ 32.00	# 17
1983 JOHN DEERE GRADER	\$ 37.00	# 27
1971 CAT GRADER W / RIPPER	\$ 37.00	# 28
1962 CHAMPION FORK LIFT	\$ 22.00	# 31FL
1944 GALLION ROLLER	\$ 22.00	# 38
1982 CASE BACKHOE	\$ 42.00	# 48BH
1967 CLARK FORKLIFT	\$ 20.00	# 62FL
1966 JOHN DEERE W / ELEVATING SCRAPER	\$ 40.00	# 76JD
1966 HYSTER FORK LIFT	\$ 23.00	# 69
1980 CASE BACKHOE	\$ 42.00	# 70
JOHN DEERE LOADER	\$ 38.00	# 72
MISCELLANEOUS		
WEED BURNER FUEL INCLUDED	\$ 18.00	# 35BR
SULLAIR AIR COMPRESSOR	\$ 6.60	# 37
GORMAN RUPP PUMP TRAILER MOUNTED	\$ 6.00	# 64
ECONOLINE TRAILER	\$ 6.00	# 32

(REVISED 11/21/95)

PANOUCHE WATER DISTRICT
EQUIPMENT RENTAL SCHEDULE (CONTRACT)

	EQUIPMENT W/O OPERATOR	NUMBER
AUTO'S & AUTO'S & PICKUP'S	\$ 4.00	
TRUCK'S		
1963 CHEVROLET SIDE DUMP	\$ 6.00	# 07
1952 CEVROLET SERVICE TRUCK	\$ 4.00	# 08
1953 STUDE BOOM TRUCK	\$ 9.00	# 09
1952 GMC DUMP TRUCK	\$ 6.00	# 12
FORD DUMP TRUCK	\$ 6.00	# 14
1980 FORD SERVICE TRUCK	\$ 5.00	# 16
1970 INTL FLAT BED TRUCK	\$ 4.00	# 18
1967 GMC DUMP TRUCK	\$ 9.00	# 20
1973 GMC SPRAY RIG	\$ 5.00	# 24SP
1959 GMC WATER TRUCK	\$ 10.00	# 28WT
1970 DODGE DUMP TRUCK	\$ 6.00	# 52
1985 GMC SPRAY RIG	\$ 5.00	# 53SP
1963 STUDE BOOM TRUCK	\$ 9.00	# 71
DRAGLINE		
LINKBELT PORTABLE 1/2 YARD (GLAM)	\$ 32.00	# 48C
(FORK)	\$ 32.00	# 48F
TRACTOR'S		
1946 D-4 CAT DOZER	\$ 12.00	# 13
1946 D7 CAT DOZER	\$ 13.00	# 14
1966 F-606 DIESEL WHEEL TRACTOR	\$ 4.00	# 15
1946 CAT GRADER #12	\$ 20.00	# 17
1983 JOHN DEERE GRADER	\$ 21.00	# 27
1971 CAT GRADER W / RIPPER	\$ 21.00	# 28
1962 CHAMPION FORK LIFT	\$ 8.00	# 31FL
1944 GALLION ROLLER	\$ 4.00	# 36
1982 CASE BACKHOE	\$ 20.00	# 46BH
1967 CLARK FORKLIFT	\$ 6.00	# 62FL
1966 JOHN DEERE W / ELEVATING SCRAPER	\$ 30.00	# 76JD
1966 HYSTER FORK LIFT	\$ 8.00	# 69
1980 CASE BACKHOE	\$ 20.00	# 70
JOHN DEERE LOADER	\$ 20.00	# 72
MISCELLANEOUS		
WEED BURNER FUEL INCLUDED	\$ 4.00	# 35BR
SULLAIR AIR COMPRESSOR	\$ 5.00	# 37
GORMAN RUPP PUMP TRAILER MOUNTED	\$ 5.00	# 64
ECONOLINE TRAILER	\$ 6.00	# 32
(REVISED 11/21/95)		

AUTO & TRUCK INVENTORY

EQ NO	DESCRIPTION	YEAR MODEL	IDENTIFICATION	LICENSE NUMBER	RADIO NUMBER
#01	OLDS DELTA 88 4 DOOR	1984	1G3N69YXEM740432	E454730	NONE
#02	CHEV 1/2 TON PICKUP	1993	1GCDC14H9PZ132047	E293911	22740
#03	CHEV 1/2 TON PICKUP	1995	1GCEC14HXSZ237547	E028503	27656
#04	CHEV 1/2 TON PICKUP	1993	1HVFV14HPZ138749	E293910	6110968
#05	FORD 1/2 TON 4x4 PICKUP	1981	1FTDF14G2BRA13246	E759633	
#06	FORD BRONCO	1986	1FMDU15N9GLA73968	E020630	28237
#07	CHEV 2.0 TON DUMP TRUC	1963	3C6530123227	E500704	NONE
#08	CHEV 1 1/2 TON FLAT BED	1952	KEA5289951	E96301	NONE
#09	STUDE 2 1/2 TON BOOM	1953	1331193842	E105053	NONE
#10	MERC GRAND MARQ 4 DR	1992	2MELM75EIN758430	E372734	372734
#11	CHEV 1/2 TON 4X4 PICKUP	1992	1GCEK14H1NZ166598	E299670	27727
#12	GMC 2 1/2 TON DUMP	1952	30220970	E147984	NONE
#14	FORD 2 1/2 TON DUMP	1981	1FDYN8DK2BVJ42823	E030605	NONE
#16	FORD 1 TON FLAT SERV	1980	F-37GRHG0195	E742199	2684
#18	INTL 2.0 TON FLAT BED	1970	426060G91932	E548801	NONE
#19	INTL 2.0 TON FLAT BED	1946	K713746	E105050	NONE
#20	GMC 2 1/2 TON DUMP 10 WI	1967	JM86770AD2343K	E50979C	NONE
#21	GMC 1/2 TON JIMMY BLAZE	1978	TKR188Z523708	E001304	26777
#22	GMC 2 1/2 TON DUMP	1972	TCE53WV534888	E598169	NONE
#23	FORD 1/2 TON PICKUP	1991	1ETEF15N2RNA09927	E006375	27549
#24	GMC 1 1/2 TON SPRAY RIG	1973	TCM61V610881	E624747	NONE
#25	CHEV 1/2 TON PICKUP	1990	1GCDC14Z61Z236143	E295410	22831
#26	OLDS CUTLESS 4 DR SDN	1986	JG3GR69A7GR353618	E291755	NONE
#28	GMC 2 1/2 TON WATER TRL	1959	FMW5598ES2110K	E263020	NONE
#41	INTL 2.0 TPM SERVICE TR	1951	A1063	E604074	NONE
#44	DODGE 1/2 TON PWR WGN	1952	88767122	E149257	NONE
#52	DODGE 2 1/2 TON DUMP	1970	061FGJ2106328	E476957	NONE
#53	GMC 1/2 TON SPRAY RIG	1989	GTEC14H1LK562659	E270083	27735
#60	FORD 1/2 TON PICKUP	1991	2FTEF15NXMCA23234	E342539	27658
#68	DODGE 1/2 TON DAKOTA PL	1990	1B7FL23X5LS733367	E006374	22783
#71	STUDE 2 1/2 TON BOOM TR	1953	M324611	E358607	NONE
#73	YAMAHA ATV	1989	JY43HPWO5KC00KK86	E23K68	NONE

REVISED OCTOBER 31, 1995

HEAVY DUTY EQUIPMENT LIST

EQUIP NO	DESCRIPTION	YEAR	EQUIPMENT IDENTIFICATION	LICENSE NUMBER
#13	CATERILLAR D-4 DOZER	1946	2T93573	NONE
#15	INTL F-606 TRACTOR	1966	2353 MACH 7141	NONE
#17	CATERILLAR GRADER	1946	8T15425 #12 MOTOR PATROL	NONE
#27	JOHN DEERE GRADER	1983	SN-403985 MOD 672A	NONE
#28	CATERPILLAR GRADER W/RIP	1971	89H799 SERIES 508204	NONE
#30T	TRIALER 2 AXLE 1/2 TON	N/A		NONE
#31	CHAMPION FORK LIFT	1962	CC1156	E628972
#32	ECONOLINE TRAILER	1995	42EDPHF45T1001141	E948871
#33	WELDING TRAILER	1968	CA112682	E310598
#34	PUMP OIL TRAILER	1968	CA1121683	E310576
#36	TRAILER TILT BED	N/A	TD -5- SP - DC23201	NONE
#37	JAGER AIR COMPRESSOR	N/A		NONE
#38	GALLION ROLLER	N/A	F226F7903 MOD T-5631193	NONE
#46	CASE BACKHOE W/LOADER	1982	9053448 5435471 MOD 580	NONE
#48	LINKBELT PORTABLE DRAGLIP	1969	781925G322376 20-T-500	E538075
#48T	DRAGLINE FORK TRAILER	N/A	DR1065536T	E304837
#51	GMC DIESEL STATIONARY PUI	N/A	F-3073-4	NONE
#54T	TRAILER 2 WHEEL CARGO 3/4	N/A	S/N 4231	E323234
#56	TOWNER DISC	1981	G-1237 510-262	NONE
#59T	TRAILER 2 AXLE 3/4 TON	1952	S/N 223041	NONE
#61	COMPRESSOR SULLAIR MOD	1993	S/N 004111618	NONE
#62	CLARK FORK LIFT	1967	S/N 41387 MODEL 1689951	NONE
#63	TRAILER LAWN AND GARDEN	1991	HERKY GONSALVES MODEL	E310576
#64	TRAILER PUMP MOUNTED 4"	N/A	GOMAN RUPP PUMP W/DIESE	NONE
#65	CONSTR MACHINE DUAL 8" PL	N/A	S/N 764829 MODEL # 14A2	NONE
	TRAILER MOUNTED W/DIESEL	N/A	ENGINE TYPE 10541 S/N 411014	
#66	COMPRESSOR WESTINGHOUSE			
#69	HYSTER FORK LIFT	1966	C6D4634L	NONE
#70	CASE BACKHOE W/LOADER	1980	9004601	E282039
#72	JOHN DEERE LOADER	1973	EB3T/096704T MOD 544-A	
#74	10" PORTABLE PUMP 3 POINT HOOK UP	1994	14085	
#760	JOHN DEERE W/ELEV SCRAPE	1966	373 R015906 MOD 760 SCRAPER S/N 0011024	NONE

REVISED OCTOBER 31, 1995

REV. DRAFT 3-1-02

**ADDENDUM TO
AGREEMENT BETWEEN THE
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
AND THE PANOCHÉ DRAINAGE DISTRICT
FOR THE PROVISION OF SUPPLEMENTAL O&M ACTIVITIES
ON THE SAN LUIS DRAIN FOR PURPOSES
OF THE GRASSLAND BYPASS CHANNEL PROJECT**

This Addendum to that certain Agreement Between the San Luis & Delta-Mendota Water Authority and the Panoche Drainage District for the Provision of Supplemental O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Channel Project dated as of December 12, 1996 (the Agreement).

RECITALS

A. The San Luis & Delta-Mendota Water Authority (Authority) and the Panoche Drainage District (PDD) have entered into the Agreement setting forth the terms and conditions under which the PDD provides operation and maintenance activities necessary to implement the Authority's San Luis Drain Supplemental O&M Plan on that portion of the San Luis Drain utilized to carry out the Grassland Bypass Channel Project, described in the Agreement as the reach between Check 19 and the terminus at Mud Slough (North); and

B. The operation and maintenance services provided by PDD benefit, and are paid for by, members of the Authority and other Participating Parties who have entered into the Grassland Basin Drainage Management Activity Agreement (the Activity Agreement Members).

C. The Grassland Bypass Project has recently been continued for a new term of eight years, through December 31, 2009, and the Agreement concerning PDD's activities to implement the Authority's San Luis Drain Supplemental O&M Plan remains in effect.

D. The Authority and PDD now desire PDD to provide the baseline level of operation and maintenance functions for that portion of the San Luis Drain that is used for purposes of the Grassland Bypass Channel Project, as described in items 1 through 5 of Section 5.8.1 of Exhibit D to that certain Agreement to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, Tracy Pumping and O'Neill Pumping/Generating Plant, San Luis Drain and Associated Works between the United States of America and the Authority, Contract No. 8-07-20-X0354 (the Transfer Agreement), a copy of said Exhibit D being attached hereto and by this reference incorporated

herein (the Baseline O&M).

E. The Authority is also obligated by the Transfer Agreement to perform certain administrative activities, such as processing requests for permits for encroachments or for use of the right-of-way on this portion of the San Luis Drain, the costs of which also constitute a portion of the Baseline O&M.

F. The Activity Agreement Members, acting through the Steering Committee of the Grassland Basin Drainage Management Activity Agreement, are willing to pay for services of PDD in performing the Baseline O&M, as well as the San Luis Drain Supplemental O&M Plan.

AGREEMENT

NOW, THEREFORE, in consideration of the facts stated in the recitals above and of the terms and conditions set forth below, the parties agree as follows:

Section 1. Term of Addendum. This Addendum to the Agreement shall be effective as of March 1, 2002, and shall remain in full force and effect for the duration of the Grassland Bypass Channel Project, or until 30 days after either party provides notice of its termination to the other party.

Section 2. Baseline O&M. PDD shall provide to the Authority the Baseline O&M Services described in items 1 through 5 of Section 5.8.1 as set forth in Exhibit D attached to this Addendum and by this reference incorporated herein.

Section 3. Administrative Activities Reimbursement. As part of performing the Baseline O&M Services, PDD shall reimburse the Authority the actual cost of administrative activities performed by the Authority on this section of the San Luis Drain as required by the Transfer Agreement.

Section 4. Terms of the Agreement Applicable. The terms governing PDD's provision of services to implement the San Luis Drain Supplemental Plan shall apply to PDD's provision of the Baseline O&M Services, and except as modified by the addition of the Baseline

O&M Services pursuant to this Addendum, the Agreement shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on the year and first set forth above.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

PANOCHE DRAINAGE DISTRICT

By _____
DANIEL G. NELSON, Executive Director

By _____
DENNIS FALASCHI, General Manager

I, Joseph C. McGahan, Regional Coordinator of the Grassland Basin Drainage Management Activity Agreement, hereby acknowledge that the Steering Committee of the Activity Agreement on February 22, 2002 considered the above Agreement, has approved funds in the Grassland Basin Drainage Management Activity Fiscal Year 2003 Budget to cover the O&M costs arising from the above Agreement, and acknowledges that such funds are payable to Panoche Drainage District pursuant to the Agreement.

Joseph C. McGahan, Regional Drainage Coordinator
Grassland Basin Drainage Management Activity Agreement

EXHIBIT D

BASELINE OM&R ACTIVITIES FOR THE SAN LUIS DRAIN

San Luis and Delta-Mendota Water Authority

5.8 SAN LUIS DRAIN AND REDFERN DRAIN

5.8.1 General

The Authority shall provide baseline operation and maintenance functions for the San Luis Drain. The baseline level of maintenance required is that necessary to protect the public, protect the government from liability, and prevent deterioration of the facility. The baseline level of maintenance consists of the following work:

1. Maintain/replace STOP signs and HIGH VOLTAGE OVERHEAD signs.
2. Grade/maintain operation and maintenance roads.
3. Vegetation control on the roads and inside canal banks.
4. Remove junk/debris dumped on Drain right of way.
5. Check structure maintenance required to operate Drain.
6. Redfern Drain maintenance.

If Reclamation, at a later date, determines that the San Luis Drain should be made fully operational, the operation and maintenance functions as described below shall constitute operation and maintenance functions for all segments of the Drain and related facilities; Provided, however, the Authority shall have no obligation to provide operation or supplemental maintenance functions for any segments of the San Luis Drain for which a use agreement has been executed. 'Supplemental Maintenance' is defined as any maintenance, including panel or lining replacement, necessary for maintenance of the Drain as a useable facility pursuant to a use agreement, and includes but is not limited to maintenance of any facilities modifying, added to or related to the San Luis Drain which may be constructed or installed pursuant to any use agreement.

5.8.1.1 The Authority shall operate and maintain the drains, the surrounding right-of-way and all appurtenances listed in Technical Exhibit 4B, to meet the serviceability standards established in the mandatory directives stated in this Performance Work Statement, Provided, however, the Authority shall not be obligated to operate any segment of the Drain for which a license or use agreement has been granted, except as specifically provided herein.

5.8.1.2 The availability of funds will dictate the level of maintenance performed on the San Luis Drain. At a minimum the baseline level of maintenance, as mentioned in paragraph 5.8.1, shall be performed. The maintenance standards for normal maintenance on the San Luis Drain are described in this Section of the Performance Work Statement.

5.8.1.3 In the event there is no standard or procedure for a function, it shall be the responsibility of the Authority to develop such standards and procedures subject to approval by a designated Reclamation official before the proposed standards and procedures are implemented by the Authority. If the Authority determines that established standards and procedures should be changed, such changes shall be written and provided to the GCAO through the Government Representative (GR). Any changes must receive written approval from the GCAO before being implemented by the Authority.

5.8.1.4 The Authority shall review applications and may issue permits for temporary uses of the San Luis Drain for one year or less which do not involve a use for discharge into any waters of the State, in accordance with the authority granted under Sections 5.1.2.2 and 5.1.2.4 of this Performance Work Statement. The Authority shall notify Reclamation of all permits issued.

5.8.1.5 Reclamation shall remain responsible for review and action upon all requests for use of the San Luis Drain for a term of one year or longer, or which involves a use for discharge to waters of the State. Should the Authority receive such a request, it shall forward the request to Reclamation in accordance with Section 5.2.1.2.3 of the PWS. Because of the importance of coordination of activities on all segments of the drain, Reclamation shall

provide the Authority with notice and opportunity to participate in any decisions concerning use agreements for terms longer than one year and/or for a use for disposal of water and shall provide the Authority with a current list of key contacts under all such use or agreements.

5.8.2 Check Structures

5.8.2.1 On the San Luis Drain there are check structures with boards for control. The structures are located between milepost 78.64 and 163.47. (See Technical Exhibit 4B)

5.8.2.2 The Authority shall perform the following work, but shall not be limited to:

1. All metal shall maintained in good condition with touch-up painting accomplished as required.
2. Deck surfaces shall be kept cleaned of oil spills, dirt and debris.
3. Replace spill boards as necessary.
4. Clean floating debris, dead animals, wood, logs, etc., from in front and back of radial gates.

Standards

5.8.2.3 The Authority shall maintain painted metalwork to prevent corrosion.

5.8.3 Channel Maintenance

5.8.3.1 The principal components of the maintenance work performed in the San Luis Drain consist of the following work (but not limited to): debris removal, disposal of debris removed, and cleaning and repairing of weeps.

5.8.3.2 The Authority shall develop a program for silt management, which may or may not include silt removal, in consultation with the Bureau. Any silt removed shall be disposed of at a site approved by the GR.

Channel Maintenance Standards

5.8.3.3 Debris (i.e., refrigerators, couches, tires, vehicles, animals, etc.) shall be removed and disposed of properly by the Authority.

5.8.3.4 The Authority shall inspect weeps and repair, replace and clean out weeps as required.

5.8.3.5 The Authority may be required to remove any vehicles found in the drain or items that are floating (i.e., tires, couches, animals, etc.) and dispose of these items. However the Authority shall notify both local law enforcement officials and the GR on duty when items of value are found in the drain.

5.8.3.6 If deceased persons are found in the drain, local authorities shall be notified immediately as well as the Bureau of Reclamation, Tracy Office.

5.8.4 Drainage Channels

5.8.4.1 The drainage channels are either parallel or cross the drain. The Redfern Drain parallels the San Luis Drain between MP 111.76 and MP 116.30. The Authority shall properly maintain the Redfern Drain until such time as the obligation of maintenance is assumed by the Poso Canal Company or the Firebaugh Water District.

5.8.4.2 The principal components of the maintenance work performed on the drainage channels includes but is not limited to:

- Removing weeds, silt and debris; erosion repair and control; trash removal; grading; cleaning culverts, weed control; excavation cleanup and removal.

Drainage Channel Standards

5.8.4.3 The Authority shall before the beginning of the rainy season (generally November 1) remove weeds, silt and debris; repair washes and sloughs, stabilize and protect from erosion where required.

5.8.4.4 The Authority shall inspect channels and culverts during and after rainstorms and clean as necessary.

5.8.5 Rights-of Way and Dust Abatement

5.8.5.1 The principal components of the maintenance work performed on rights-of-way, and drain spoil banks, includes but are not limited to the following work:

- Erosion repair and control; weed and rodent control; grading; mowing; drainage; dust control; trash removal; excavation; cleanup; and filling rodent holes.

Rights of Way Maintenance Standards

5.8.5.2 The Authority in the non-rainy season (generally March 1 to November 1) shall grade and smooth the banks. Eroded areas shall be repaired by the Authority.

5.8.5.3 The Authority shall complete excavation cleanup and disposal required for channel or right-of-way maintenance or repair in the non-rainy season.

5.8.5.4 The Authority shall provide supplemental drainage where needed and maintain established drainage.

5.8.5.5 The Authority shall keep the banks free of any trash or any material that is not native to the banks.

5.8.5.6 The Authority shall fill rodent holes on the inside slope before the rainy season.

Dust Abatement Standards

5.8.5.8 The Authority shall carry out proper and efficient measures wherever and as often as necessary to reduce the dust nuisance and to prevent dust originating from the Authority's operations from damaging crops, orchards, cultivated fields and dwellings or causing a nuisance to persons. The Authority shall comply with Federal, State and local dust control regulations.

5.8.6 Inlet Drains

5.8.6.1 On the San Luis Drain there are drains 8 inches in diameter to drain water collecting along the O&M roads into the drain.

5.8.6.2 The Authority shall keep inlet drain entrances and outlets cleaned of weeds, rocks, and debris; repair drain lining; and repair or replace damaged inlet drain structures.

5.8.6.3 As required, the Authority shall replace or repair and lubricate hinge pins; replace or repair broken or cracked flap valves; seal flap valves to prevent leakage out of the canal; and clean and/or sandblast, prime and paint flap gates.

Inlet Drains Standards

5.8.6.4 The Authority shall inspect inlet drain structures annually for damage.

5.8.6.5 The Authority shall check operation of flap gates and drain inlets prior to rainy season and also check operation of the flap gates during and after rainstorms and repair as necessary.

5.8.6.6 The Authority shall maintain painted metalwork to prevent corrosion.

5.8.7 Storm Runoff

5.8.7.1 Certain facilities are provided to allow storm runoff or natural runoff to cross the San Luis Drain. There are some areas where water may stand along the outside of the drain embankment.

5.8.7.2 The principal components of the maintenance work performed for storm runoff consist of but are not limited to the following:

Debris removal, pumping, grading, smoothing, and excavation removal and disposal.

Storm Runoff Standards

5.8.7.3 During and after storms the Authority shall inspect crossings and remove debris (such as rocks, grass, tree limbs, trash) as required.

5.8.7.4 When standing water accumulates on the outside of the drain embankment, endangering the embankment, the Authority shall pump the water into the drain as soon as practical.

5.8.8 Concrete Lining

5.8.8.1 The entire San Luis Drain is concrete lined. The usual thickness of the lining is 2.5 inches.

5.8.8.2 The principal components of the maintenance work for concrete lining consists of but shall not be limited to the following:

Crack filling, filling voids behind the lining, temporary repairs with sand bags, riprapping and placing concrete.

Concrete Lining Standards

5.8.8.3 The Authority shall observe during daily patrols for any signs of cracking or movement of the lining. During both the dewatering and normal operations of the drain, minor cracks shall be sealed by the Authority with joint compound and broken lining shall be removed and replaced with new

concrete to the lines and grades for that area as set forth in the original design of the drain.

5.8.8.4 Concrete repair or replacement shall be in accordance with the latest standards set forth in the U.S. Bureau of Reclamation Concrete Manual.

5.8.8.5 A summary of typical sections and where they were used can be found in the structure list for the San Luis Drain. (See Technical Exhibit 4B)

5.8.8.6 The Authority shall inspect for voids behind the lining and shall fill voids before the rainy season begins (generally November 1).

5.8.9 Riprapping

5.8.9.1 Riprapping may be required on any of the drain embankments, bridge abutments, structures, drainage channels or where creeks or streams cross over or under the drain to protect from erosion.

5.8.9.2 The principal components of the maintenance work performed on the riprap consists of but are not limited to the following:

Grading, slough repair, placement of riprapping, hauling and excavation.

Riprapping Standards

5.8.9.3 The Authority shall provide routine inspection of canal and drainage systems and other pertinent facilities for need of riprap or repair of existing riprap, and shall place new or repair existing riprap as per requirements in Technical Exhibit No 6.

5.8.9.4 When voids occur in the riprap, the Authority shall fill these voids.

5.8.10 Pest Management

5.8.10.1 Pest management activities performed on, in, or around all lands, facilities and appurtenant structures of the San Luis Drain shall be in accordance with paragraph 5.2.18.

5.8.11 Road Maintenance

5.8.11.1 On the San Luis Drain there are approximately 170 miles of roadway. The roadway consists of 4 inches of gravel surfacing on both sides of the drain.

5.8.11.2 The width of these roadways is 14 feet (minimum).

5.8.11.3 The principal components of the maintenance work performed on the roadways includes but are not limited to:

Grading, filling potholes, dust control, weed control, watering, sloping, surfacing, material hauling, and signing the roadways.

Road Standards

5.8.11.4 The roads shall have the potholes filled and the roadways maintained before the rainy season (generally the rainy season is November 1 through March 1) by the Authority.

5.8.11.5 After the rainy season, the Authority shall repair road areas that are causing safety and vehicle maintenance problems.

5.8.11.6 The Authority shall keep the all roads passable for operations and maintenance vehicles and equipment year round.

5.8.12 Signs and Reflectors

5.8.12.1 All signs are installed to provide warning, instruction, location and direction to Operations and Maintenance personnel and to the public who have access to the drain.

5.8.12.2 Some of the typical locations for signs are at road crossings of the drain, structures along the drain, and any utility crossings of the drain (ie, power, telephone, irrigation, etc.), and drain crossings.

5.8.12.3 Principal components of the maintenance work performed on signs consist of the following work, but not limited to:

Installing, repairing, replacing and painting of signs.

Sign Standards

5.8.12.4 The Authority shall inspect/inventory signs and repair, replace or paint as required by Reclamation Instructions 353.1.

5.8.12.5 The Authority shall maintain painted signs so they are bright and readable from a distance of 100 feet.

5.8.13 Gates

5.8.13.1 Gates can vary from standard chain-link with 3-strand barbed wire top, double opening, chain link gates to standard barbed wire, wood post stock

fence gates, wood gates, etc. They will vary in height and width depending on need.

5.8.13.2 The principal components of the maintenance work performed on gates consist of but are not limited to the following work:

Adjusting swing, repairing, replacing, painting, repairing or replacing reflectors, repairing or replacing locking system and lubricating.

Gate Standards

5.8.13.3 The Authority shall inspect and replace, repair, paint and lubricate as required to keep gates in good operating condition.

5.8.13.4 The Authority shall maintain the painted metalwork to prevent corrosion.

5.8.14 Fence Repair

5.8.14.1 This work covers all fencing on the San Luis Drain Right-of-Way.

5.8.14.2 Types of fenced areas are:

Drain bank right-of-way, system structures (checks, siphons, etc.), and maintenance yards.

5.8.14.3 Types of fences used in the San Luis Drain area are:

barbed wire, 4-strand or 5-strand with steel and wood posts and chain link ranging from a height of 4 feet to 8 feet with 3-strand barbed wire top.

5.8.14.4 The principal components of the maintenance work performed on fences consist of the following work but not limited to:

Repair, replacement, removal and painting.

Fence Repair Standards

5.8.14.5 The Authority shall inspect safety fences along the canal and around or on structures and repair, replace and paint as required.

5.8.14.6 The Authority shall provide routine inspection of right-of-way for repair or replacement of fences as necessary.

5.8.14.7 Fences shall be replaced, repaired and maintained by the Authority to the standards set forth in the following drawings and safety design standards:

1. Drawing No. 40-D-6270 - Woven or barbed wire - steel posts
2. Drawing No. 40-D-6271 - Woven or barbed wire - wood posts
3. Drawing No. 40-D-6261 - Rural safety fencing
4. Drawing No. 40-D-6268 - School and urban safety fencing
5. Drawing No. 40-D-5410 - Switchyards and substations
6. Drawing No. 40-D-6272 - Deer-proof fencing
7. Drawing No. 2-D-89 - Safety fence and safety cable
8. Design Standards, chapter 3, figure 4, paragraph 3.7, Safety Fence Extension Protects Underground Works
9. Design Standards, chapter 3, figure 9, paragraph 3.18 and figure 10, paragraph 3.19, Escape Devices for Canals
10. Design Standards, chapter 3, figure 5 and 6, paragraph 3.8, Guardrail and Handrail Installations

5.8.15 Guardrail

5.8.15.1 Guardrail are used to provide protection to structures, to equipment, to keep vehicles out of the drain, and for employee safety. Typical locations are where roads cross the drain, where a road dead-ends into the drain, and where operating roads go by structures or stationary equipment. Guardrail may be made of the following materials and combinations thereof:
pipe, wood and metal.

5.8.15.2 The principal components of the maintenance work performed on guardrail include but are not limited to the following work: Repairing, replacing, painting, and constructing as needed.

Guardrail Standards

5.8.15.3 The Authority shall inspect and repair, replace, and paint guardrail as required.

5.8.16 Ladders, Safety Nets and Floats

5.8.16.1 Ladders are placed along the drain and upstream of checks and siphons. Cables with floats are also upstream of all checks and siphons along the drain.

5.8.16.2 The principal components of the maintenance work for the ladders, and floats include but are not limited to the following:

Repairing, replacing, painting, welding, checking tension in cables and removing debris from nets and flotation lines.

Ladders, and Floats Standards

5.8.16.3 During the operation season, the Authority shall inspect the floats and repair or replace as required.

5.8.16.4 The Authority shall inspect the ladders annually and during dewaterings and repair or replace as required.

5.9 SAN LUIS DRAIN OPERATIONS

5.9.1 Management of Discharge

5.9.1.1 Except as otherwise provided in this Performance Work Statement, the Authority shall manage all segments of the San Luis Drain subject to this Performance Work Statement to the extent feasible to achieve zero discharge.

5.9.1.2 Constrained by the limitation of zero discharge, provision for storage of any inflow that exceeds evaporation must be obtained within the channel prism. The probability of successfully maintaining zero discharge is maximized by maximizing the available empty channel prism capacity to contain excess inflow.

5.9.1.3 The inflow is a function of the differential hydrostatic head between the ground-water table and the water surface within the drain. Minimizing the differential elevation by which the ground-water table exceeds the drain's water surface minimizes the ground-water seepage into the drain. Such reduction in the differential hydrostatic head has been accomplished by adding flash boards to check structures, thus raising the water surface.

5.9.1.4 The ground-water table profile naturally follows the slope of the land, which is a steeper gradient than the water surface profile behind each check structure. Thus, for many of the long reaches between check structures, it is not possible to add sufficient height of flash board to raise the water surface above the ground-water table at the far end and keep the water surface below the lining at the near end.

5.9.1.5 A water surface above the lining will erode the unprotected berms, which could lead to overtopping of the channel banks and possible washout and associated damage to drain structures and adjacent property. Thus the management of water storage in the drain is also constrained by the maximum height of the lining.

5.9.1.6 Lands adjacent to the drain from Check 10 to Check 15 are flooded to support seasonal wetlands from September through March. By checking the water surface up to the top of the lining, the seasonal inflow to this reach of the drain can be minimized. Spillage to downstream reaches is limited to the capacity of those reaches. If the capacity of downstream reaches appears likely to be exceeded, then earthen plugs should be placed in those reaches of inflow where the drain's water level can be raised above the crest of the downstream check structure without overtopping the lining.

5.9.2 Exposure of Sediments

5.9.2.1 Not used.

5.9.2.2 If water is added to the drain at no expense, can be shown to be of no environmental hazard, does not significantly lower the drain's capacity to contain all inflow, then no action to remove or regulate the flow is warranted. Water entering the drain upstream of Check 41 is limited only by the capacity of the drain above Check 41 and is not considered a liability to the drain's capacity below Check 10.

5.9.3 Groundwater Monitoring

5.9.3.1 The Authority shall provide periodic observations of the water depth below the lining above each check structure to adequately manage the containment of all inflow to the drain.

5.9.4 Use Agreements

5.9.4.1 The Authority shall have no obligation under this Performance Work Statement to operate any segment of the San Luis Drain which is the subject of a use agreement with any third party, and any such use agreement between the Bureau of Reclamation and the third party will assign to the third party user operating responsibilities for that portion of the drain to which the use

agreement applies for its duration. Any such use agreement shall require the third party user to comply with all laws, obtain any and all required permits for discharges from the Central Valley Regional Water Quality Control Board, to manage all drainwater placed in the drain pursuant to the use agreement, and to hold the Authority harmless to the same extent as Reclamation for such operations. Reclamation shall notify the Authority of all such use agreements as required in Section 5.7.1.4 above, and the Authority shall coordinate with the key contact of the user any operations which require coordination. The Authority shall notify Reclamation of all permits issued under section 5.7.1.4, and the Authority shall coordinate with the key contact of the user any operations which require coordination.

5.9.4.2 The third party under a use agreement shall not be required to include in such party's maintenance program maintenance activities to be assumed by the Authority under this PWS.

5.9.5 Emergency Discharge

5.9.5.1 In the event local precipitation, flooding, or other uncontrollable or flows create an emergency situation in which the San Luis Drain cannot be managed to achieve zero discharge without damage to the Drain, the Authority may be required to make emergency discharges. Any such discharges shall be made, in consultation with Reclamation and with any user under a use agreement for segments of the Drain downstream from segments which will spill, and the Authority shall coordinate its actions with those of the downstream user to minimize impacts on such user. The Authority shall be responsible for obtaining any permits required for such emergency discharge.

RESOLUTION NO. 2002-200

**RESOLUTION AUTHORIZING EXECUTION OF
ADDENDUM TO AGREEMENT BETWEEN THE
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
AND THE PANOCHÉ DRAINAGE DISTRICT
FOR THE PROVISION OF SUPPLEMENTAL O&M ACTIVITIES
ON THE SAN LUIS DRAIN FOR PURPOSES OF
THE GRASSLAND BYPASS CHANNEL PROJECT**

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Authority," respectively) has by Resolution 1996-138 authorized execution of Agreements with Panoche Drainage District to Provide Operation & Maintenance Services for the Conveyance Facilities for the Grassland Bypass Project.

WHEREAS, the Board has considered that certain draft Addendum to Agreement Between the San Luis & Delta-Mendota Water Authority and the Panoche Drainage District for the Provision of Supplemental O&M Activities on the San Luis Drain for Purposes of the Grassland Bypass Channel Project, which has been presented to the Board and a copy of which is on file with the Secretary hereof (the "Addendum").

WHEREAS, the Steering Committee of the Grassland Basin Drainage Management Activity Agreement has recommended that the Board adopt the Addendum in substantially the form presented, subject to such additions, deletions and revisions as are approved by the executing officers prior to execution, said execution to provide conclusive evidence of such approval.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

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

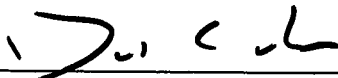
Section 2. Executive Director Daniel G. Nelson is hereby authorized and directed, for and on behalf of the Authority acting for the benefit of the Grassland Basin Drainage Management Activity Agreement Members, to execute the Addendum in substantially the form presented to the Board and on file with the Secretary hereof, subject to such additions, deletions and revisions as may be approved by the executing officer, said execution to provide conclusive evidence of said approval.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2002.



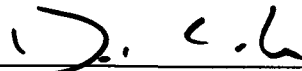
Michael Stearns, Chairman

Attest:



Daniel G. Nelson, Secretary

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the San Luis & Delta-Mendota Water Authority, a California joint powers agency, at a regular meeting of the Board of Directors thereof duly called and held at the office of the Authority on the 7th day of March, 2002.



Daniel G. Nelson, Secretary

RESOLUTION NO. 1996-138

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF AGREEMENTS WITH PANOCHÉ DRAINAGE DISTRICT TO PROVIDE OPERATION & MAINTENANCE SERVICES FOR THE CONVEYANCE FACILITIES FOR THE GRASSLAND BYPASS CHANNEL PROJECT

WHEREAS, the Board of Directors of the San Luis & Delta Mendota Water Authority (the "Board" and the "Authority," respectively) has heretofore adopted resolutions approving the Grassland Basin Drainage Management Activity Agreement (the "Activity Agreement") and execution of the Agreement for Use of the San Luis Drain (the "Use Agreement") for and behalf of Authority Members who participate in the Activity Agreement; and

WHEREAS, the Activity Agreement Members have initiated the Grassland Bypass Channel Project in accordance with the Use Agreement and the Finding of no Significant Impact Issued pursuant thereto; and

WHEREAS, the Use Agreement requires the Authority to provide a plan for supplemental operation and maintenance activities on the San Luis Drain for purposes of the Grassland Bypass Channel Project, over and above the operation and maintenance activities conducted by the Authority pursuant to its Cooperative Agreement with the United States; and

WHEREAS, the Panoche Drainage District is willing to provide the supplemental operation and maintenance activities on the San Luis Drain and necessary operation and maintenance activities on the Grassland Bypass Canal for purposes of the Grassland Bypass Project; and

WHEREAS, the Activity Agreement Steering Committee recommends approval of those certain agreements between the Authority and the Panoche Drainage District for the provision of such services, which agreements have been presented to the Board and are on file with the Secretary hereof.


NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

Section 2. The Board authorizes and directs the Chairman and the Secretary to execute and deliver those certain agreements between the Authority and the Panoche Drainage District for the provision of supplemental operation and maintenance activities on the San Luis Drain and necessary maintenance of the Grassland Bypass Canal for purposes of the Grassland Bypass Channel Project, on the terms and conditions presented to the Board and on file with the Secretary hereof.

Section 3. The Board hereby authorizes and directs the Chairman, Secretary and the Executive Director and any other employee of the Authority designated by the Executive Director to carry out such other actions, including execution of documents, if any, which may be necessary or convenient to carry out the intention of this resolution.

PASSED AND ADOPTED this 12th day of December, 1996.


Michael Stearns, Vice Chairman

Attest:


Daniel G. Nelson, Secretary

* * * * *

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the San Luis & Delta-Mendota Water Authority as an adjourned regular meeting of the Board of Directors thereof duly called and held at the Activity Room of the Miller & Lux Center, 830 6th Street, Floor 2, Los Banos, California, on the 12th day of December, 1996.



Daniel G. Nelson, Secretary