

AGREEMENT TO RESOLVE WATER RIGHT PROTEST

This agreement to resolve water right protest is entered into between North San Joaquin Water Conservation District, a California Water Conservation District ("District"), and California Sportfishing Protection Alliance, a California non-profit corporation ("CSPA") as of the date of the last signature below.

Recitals

1. District holds appropriative water right Permit 10477 to divert water from the Mokelumne River. District currently has pending at the State Water Resources Control Board ("Board") Petitions for Change and a Petition for Extension of time for Permit 10477.
2. CSPA has a pending protest on file with the Board related to the Permit 10477 petitions.
3. District has defined and performed CEQA for the Tracy Lake Project, which will construct facilities in the next three years that will put a portion of permitted water to use. District has longer term plans for projects to upgrade and expand three canal systems for delivery of surface water to irrigators and potentially for the construction of groundwater recharge facilities.
4. District has secured funding to construct its Tracy Lake Project, but some of this funding is time sensitive and may be lost if CSPA's protest is not resolved.
5. The California legislature has passed groundwater management legislation in the form of the following bills: SB 1168, AB 1739, and SB 1319. This legislation was signed by the Governor on September 16, 2014. In aggregate, this legislation allows but does not require Groundwater Sustainability Agencies established pursuant to this legislation to require reporting of groundwater pumping to these agencies. This legislation requires these agencies to bring certain groundwater basins, including those underlying the District, into conformance with standards for sustainability. In the absence of timely compliance with the requirements of this legislation, the State is empowered to take regulatory action to enforce it.
6. CSPA and the District have reached an agreement to resolve the CSPA protest, as set forth below.

In consideration of the mutual promises made herein, the parties agree as follows:

Agreement

1. District hereby agrees that:
 - a. All water diverted under Permit 10477 for irrigated agriculture shall be delivered to farms that were either previously irrigated with surface water or groundwater. District shall not deliver Permit 10477 water to farmland that has not previously been irrigated.

- b. District will undertake a Proposition 218 process to propose a new surface water rate structure to replace its existing rate structure. The existing rate structure charges a flat rate per acre of land. The new rate structure must charge for water based on the amount of water delivered.
 - c. Pursuant to SB 1168, AB 1739, and SB 1319, District agrees to either join or become a local groundwater sustainability agency, as required by the new law, and work diligently to achieve the mandates and goals of the new law within proscribed time limits.
 - d. District is required to provide the State Water Resources Control Board with annual "Progress Report by Permittee," Including data from monitoring reports to demonstrate to the State Board that water diverted pursuant to Permit Terms for Permit 10477 has been put to beneficial use. District agrees to provide an electronic copy of each such Progress Report to CSPA at the same time that District provides it to the State Board.
 - e. District agrees to provide to CSPA electronic versions of annual monitoring reports of all groundwater monitoring wells operated by the District and by the San Joaquin Groundwater Basin Authority that are located within a ten mile radius of Tracy Lake and that are located within five miles of any canal used to deliver water pursuant to Permit 10477.
- 2. In exchange for the agreements of District set forth above, CSPA shall dismiss all pending protests to the District's petitions for Permit 10477 within 5 days of the signing of this Agreement.
 - 3. Each party signing below warrants and represents that they have full authority to execute and fulfill the terms of this Agreement.
 - 4. This Agreement incorporates all of the terms of agreement between the parties and may only be amended by a writing signed by both parties.
 - 5. Each party shall bear its own costs and attorney's fees associated with the protest proceedings, negotiation of this settlement and this Agreement.

Executed as of the dates, and in the places, set forth below each signature:

California Sportfishing Protection Alliance

By: Bill Jennings
Bill Jennings, Executive Director
Address: 3536 Rainier Ave.

Date: 7 Oct 2014

Stockton, CA 95204

North San Joaquin Water Conservation District

By: [Signature] Date: 9-29-2014
Joe Valente, President of the Board of Directors

Address: _____

Attest: [Signature]
Tom Flinn, Board Secretary

APPROVED AS TO FORM:

[Signature] Date: Oct 14, 2014
Michael Jackson, Counsel for California
Sportfishing Alliance

[Signature] Date: Sept. 29, 2014
Roger Masuda, General Counsel for
North San Joaquin Water Conservation District