

AGREEMENT**REGARDING CROSS VALLEY CANAL CONTRACTORS' COST-SHARING FOR
NEPA CONSULTANT REGARDING RENEWAL OF CENTRAL VALLEY
PROJECT WATER SUPPLY AND CONVEYANCE CONTRACTS**

THIS AGREEMENT is made this 25th day of April, 2017 by and among Lower Tule River Irrigation District, Pixley Irrigation District, Hills Valley Irrigation District, Tri-Valley Water District, Kern-Tulare Water District, the County of Fresno, and the County of Tulare (collectively referred to hereinafter as "CVC Contractors").

WHEREAS, the CVC Contractors are currently in the final stages of negotiation of the renewal of their long term Central Valley Project (hereinafter "CVP") water supply contracts with United States Bureau of Reclamation (hereinafter "Bureau"); and

WHEREAS, the CVC Contractors have completed negotiation with the Department of Water Resources ("hereinafter "DWR") and the Bureau for the renewal of their long term conveyance service contract for delivery of CVP supply to the CVC Contractors; and

WHEREAS, the CVC Contractors have completed a Final Environmental Impact Report (FEIR) in compliance with the California Environmental Quality Act, California Public Resources Code §§ 21000 et seq. (hereinafter "CEQA") with regard to the long term water supply and conveyance service contract; and

WHEREAS, the Bureau, in cooperation with the CVC Contractors, is preparing a separate National Environmental Policy Act (NEPA) document with regard to execution of the renewal of the existing long term CVP water supply contracts and conveyance service contracts; and

WHEREAS, CVC Contractors desire to enter into this Agreement to assist these public agencies and the Bureau in its compliance with NEPA.

WHEREAS, Kern Tulare Water District (hereinafter "KTWD") has determined that it is in the best interest of KTWD and the other CVC Contractors to serve as the Coordinating Agency as provided in this Agreement.

NOW THEREFORE, be it resolved that the CVC Contractors do agree to undertake the following:

1. Designation of Coordinating Agency. The CVC Contractors authorize and designate KTWD to serve as the Coordinating Agency for purposes of coordinating NEPA compliance efforts on behalf of all CVC Contractors and the Bureau.
2. Rights and Obligations of the Coordinating Agency. KTWD shall have the following rights and obligations associated with coordinating NEPA compliance efforts with the Bureau:

- a. KTWD is authorized to hire consultants, which are mutually agreeable to all CVC Contractors and the Bureau, to assist the Bureau with NEPA compliance. The CVC Contractors acknowledge that KTWD's responsibilities under this subsection are limited to contracting with consultants, paying for costs, accounting for such costs, and obtaining reimbursement as called for herein.
 - b. Each of the CVC Contractors agrees to pay KTWD for its apportioned share of the consultant-related expenses, and other costs incurred while serving as the Coordinating Agency on behalf of the CVC Contractors.
 - c. The CVC Contractors agree the costs authorized by this Agreement will be apportioned based on their pro-rata share of the total contractual water amounts to which the parties are entitled under the respective long term CVP water supply contracts with the Bureau.
 - d. KTWD will report all expenses monthly to all of the CVC Contractors and each CVC Contractor agrees to pay its share within thirty (30) days of the expenses being reported.
3. NEPA Consultant. KTWD is authorized to enter into an agreement with a defined Scope of Work from QK Inc. (QK), for completing the defined tasks necessary for NEPA compliance as stated in its December 21, 2016 letter. (Hereinafter Exhibit "A" attached hereto and incorporated herein.) The CVC Contractors have previously reviewed the Scope of Work, and have agreed to allow KTWD to contract with QK for the work and price identified in the Scope of Work, pursuant to the requirements set forth in Section 2 above. KTWD shall only contract with QK for additional NEPA compliance efforts upon approval from all CVC Contractors.
4. Indemnity.
 - a. The CVC Contractors shall jointly and severally indemnify, defend and hold KTWD harmless from any and all claims, judgments, damages, penalties, costs, liabilities and losses, including without limitation, sums paid in settlement of claims, actual reasonable attorneys' fees, paralegal fees, consultant fees, engineering fees, expert fees and any other professional fees, that arise from this Agreement, other than for actions resulting from the sole negligence of KTWD. The obligation of each of the CVC Contractors under this indemnity provision shall be limited to that percentage of the CVC Contractors' damages, penalties, costs, liabilities and losses that is equal to each CVC Contractors' pro-rata share of the total contractual water amounts to which the parties are

entitled under their respective long term CVP water supply contracts with the Bureau.

5. Consultation. In the event that litigation challenges this agreement or the NEPA compliance for the renewals of the Cross Valley Canal water supply contracts and/or the Cross Valley Conveyance Agreements, the Parties agree to consult with each other regarding legal defense, legal strategy, and any other matters related to the litigation.
6. Amendment. This Agreement may be amended only by a written agreement approved and executed by all of the Parties.
7. Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the CVC Contractors that the remainder of this Agreement shall not be affected thereby. Similarly, should the participation of any party to this Agreement be decided by the courts or legislature to be illegal or in excess of that party's authority, the validity of the participation of the remaining parties to the Agreement shall continue upon the same terms as provided herein as if that party had not been a party.
8. Assignment. Except as otherwise provided in this Agreement, the rights and duties of the parties to this Agreement may not be assigned or delegated without the written consent of all other parties. Any attempt to assign or delegate such rights or duties in contravention of this 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 parties then in effect. This Agreement shall inure to the benefit of, and be binding upon the successors and assigns of the parties hereto. The CVC Contractors specifically acknowledge that some or all of them may from time to time assign their rights under their existing CVP water supply contracts to third parties, either as a temporary assignment or transfer, or as a permanent assignment. In such event the assigning party shall remain bound by the terms of this Agreement unless and until the assigning party has obtained a consent to the assignment of this Agreement to the assignee of the underlying contract, in which case the assignee shall be deemed to be a party to this agreement in the place of the assigning party.
9. Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall constitute an original. All such counterparts shall together form one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

LOWER TULE RIVER IRRIGATION DISTRICT

By: Mary F. [Signature]

PIXLEY IRRIGATION DISTRICT

By: Frank E. [Signature]

HILLS VALLEY IRRIGATION DISTRICT

By: _____

TRI-VALLEY WATER DISTRICT

By: _____

KERN-TULARE WATER DISTRICT

By: _____

COUNTY OF FRESNO

By: _____

COUNTY OF TULARE

By: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

LOWER TULE RIVER IRRIGATION DISTRICT

By: _____

PIXLEY IRRIGATION DISTRICT

By: _____

HILLS VALLEY IRRIGATION DISTRICT

By: _____

TRI-VALLEY WATER DISTRICT

By: _____

KERN-TULARE WATER DISTRICT

By: A.C. O'Neil

COUNTY OF FRESNO

By: _____

COUNTY OF TULARE

By: _____

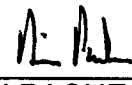
1 THE PARTIES THEREFORE AGREE AS FOLLOW:

2 The parties are signing this Agreement on the date in the introductory clause.

3 REVIEWED AND RECOMMENDED
4 FOR APPROVAL:

COUNTY OF FRESNO:

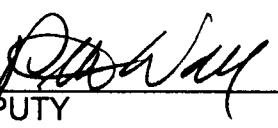
5 BY: 
6 STEVEN E. WHITE, DIRECTOR,
7 DEPARTMENT OF PUBLIC WORKS
8 AND PLANNING

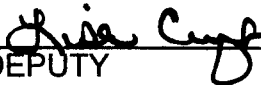
BY: 
BRIAN PACHECO, CHAIRMAN
BOARD OF SUPERVISORS

9 DATE: _____

10 APPROVED AS TO LEGAL FORM:
11 DANIEL C. CEDERBORG, COUNTY
12 COUNSEL

ATTEST:
BERNICE E. SEIDEL, CLERK,
BOARD OF SUPERVISORS

13 BY: 
14 DEPUTY

BY: 
DEPUTY

15 APPROVED AS TO ACCOUNTING
16 FORM:

17 BY: 
18 OSCAR J. GARCIA, CPA
19 AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

20 FOR ACCOUNTING USE ONLY

21 Department of Public Works and
22 Planning

23 CSA No. 34 Millerton New Town
24 Fund: 0830
25 Subclass: 16000
26 Org, No. 9174
27 Account No.: 7010

28 G:\4360Resources\SPECIAL DISTRICTS\CSA\CSA 34\CVC Water Delivery
Agreements\CVC Contractor Cost Sharing Agmnt - NEPA\Signature Page.Docx



5080 California Avenue, Ste. 220 | Bakersfield, CA 93309

EXHIBIT A

December 21, 2016

Steven C. Dalke
General Manager
Kern-Tulare Water District
5001 California Avenue, Suite 102
Bakersfield, CA 93309

Subject: Cross Valley Contractors Renewal of Conveyance Contracts Draft Environmental Assessment/Findings of No Significant Impact Proposal

Dear Mr. Dalke:

QK Inc. (QK) thanks the Kern-Tulare Water District on behalf of the Cross Valley Contractors (CVC) for allowing us to propose on the preparation of environmental documentation in compliance with the National Environmental Policy Act (NEPA) for the Renewal of Conveyance Contracts (Proposed Action). It is our understanding that the CVC wants a qualified consultant to prepare a draft Environment Assessment/Findings of No Significant Impact (EA/FONSI) that analyzes the environmental effects of the Proposed Action using Bureau of Reclamation (BOR) template and guidance. It is also our understanding that the draft EA/FONSI will be submitted to BOR for finalization and circulation in compliance with NEPA. We also realize that an Environmental Impact Report (EIR) has already been prepared for the Proposed Action in compliance with the California Environmental Quality Act.

Scope of Work

Given the above understanding, QK proposes the following scope of work. It is important to note that we are assuming the EIR documentation and any related studies will be sufficient to prepare the EA/FONSI, and that no additional studies will be necessary. We also assume that BOR will take the lead in any necessary consultations with other governmental agencies or entities, and will perform all necessary noticing and public circulation efforts.

Task 1 Kick-off Meeting

After receiving authorization to proceed, QK will attend the kick-off meeting with the CVC and BOR to receive any additional available information that will assist in the preparation of the EA/FONSI. This meeting will also provide an opportunity for the CVC and BOR to agree upon an appropriate timeline, expectations, a communications protocol and any other matter they wish to discuss.

Task 2 Prepare Administrative Draft EA/FONSI

QK will prepare an administrative draft EA/FONSI using the BOR template and following their guidance. The administrative draft EA will include the following sections:

- Section 1 – Introduction: This section will include a background description and a discussion of the need for the Proposed Action.
- Section 2 – Alternatives Including the Proposed Action: This section will consider several alternatives, including the Proposed Action and the No Action Alternative. It is also assumed that the three additional alternatives considered in the EIR will be considered in this EA/FONSI for a total of five alternatives to be analyzed. This section will also include a list of permits and approvals that will be required as well as a discussion of the environmental commitments that will be implemented for the Proposed Action to avoid and/or reduce environmental consequences associated with the Proposed Action. Finally, this section will discuss the use of the EA for federal grant opportunities.
- Section 3 – Affected Environment and Environmental Consequences: This section will identify the potentially affected environment and the environmental consequences involved with each of the alternatives. The environmental trends and conditions that currently exist are also discussed.
- Section 4 – Consultation and Coordination: This section provides a discussion of the consultation and coordination efforts the BOR will undertake as required by NEPA and other applicable federal laws.
- Section 5 – Preparers and Reviewers: This section will list the preparers and reviewers of the EA.
- Section 6 – List of Acronyms and Abbreviations: This section provides a list of the acronyms and abbreviations used in the EA and defines each acronym.
- Section 7 – References: This section provides all the references cited in the EA.

The administrative draft FONSI, as required by the BOR template, will include an introduction, a discussion of the background and Proposed Action and other alternatives, and provide findings based on the analysis in the EA. It is important to note that the administrative draft EA will analyze five alternatives (including the Proposed Action) at an equal level of detail per the requirements of NEPA and therefore, the cost below reflects this necessary level of effort.

QK anticipates up to two rounds of review of the administrative draft EA/FONSI by the CVC and BOR. We will provide revisions to the first round in underline/strikeout format.

Deliverables

- Rounds 1 and 2 of the administrative draft EA/FONSI in Word format

Task 3 Revise and Submit Draft EA/FONSI

After the review of the administrative draft EA/FONSI, QK will revise and submit the draft EA/FONSI to be finalized and circulated by BOR.

Deliverables

- Draft EA/FONSI in Word format

Task 4 Project Management

The proposal includes the management of the EA/FONSI's preparation, routine updates and communication via email and phone, and coordination with the CVC and BOR on an as-needed basis. This proposal assumes that coordination efforts will be limited to no more than a one-hour conference call every week with the CVC and BOR for up to three months.

Schedule

QK will provide an administrative draft EA/FONSI for the first-round review by the CVC and BOR within 45 days of the kick-off meeting. A revised administrative draft EA/FONSI will be distributed for a second-round review within 10 days of receiving the first round of comments. We will provide the draft EA/FONSI within five days of receiving the second-round review comments. This proposal, including all reviews by the CVC and BOR, assumes the timeframe from the kick-off meeting to the submittal of the draft EA/FONSI will be no more than three months.

Cost Estimate

QK can perform all of the above tasks for a **Fixed Fee** cost of **\$21,000**. The following is a cost breakdown by task and direct expenses:

Task 1	\$500
Task 2	\$13,000
Task 3	\$4,500
Task 4	\$2,500
Direct Expenses	\$500
Total	\$21,000

Thank you for allowing QK to propose on the preparation of the draft EA/FONSI. If you have any questions regarding this proposal or require additional information, please contact us at (661) 616-2600.

Sincerely,



Steve Esselman
Project Manager



Amber Adams
Principal-In-Charge

cc: file

P160703

KERN-TULARE Water District

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March 17, 2017

Fresno County Public Works & Planning
Special Districts Administration
2220 Tulare Street 6th Floor
Fresno, CA 93721

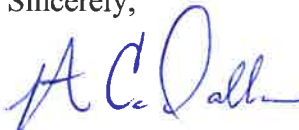
**Subject: Agreement Regarding Cross Valley Canal Contractors' Cost-sharing for NEPA
Consultant Regarding Renewal of Central Valley Project Water Supply and
Conveyance Contracts**

Pursuant to your request, below is a table identifying the proportions that costs will be shared under the subject agreement.

CVC Contractor	Contract Quantity	Percentage Share	Cost Share
County of Fresno	3,000	2.34%	\$491
Hills Valley Irrigation District	3,346	2.61%	\$547
Kern-Tulare Water District	53,300	41.54%	\$8,724
Lower Tule River Irrigation District	31,102	24.24%	\$5,091
Pixley Irrigation District	31,102	24.24%	\$5,091
Tri-Valley Water District	1,142	0.89%	\$187
County of Tulare	5,308	4.14%	\$869
Total	128,300	100.00%	\$21,000

The Scope of Work indicates a Fixed Fee cost of \$21,000. Any expenses above this amount will require additional authorization.

Sincerely,



Steven C. Dalke
General Manager