United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

MAY 15 2009

IN REPLY
REFER TO:

MP-705
FIN-3.00

Mr. Tom Birmingham
General Manager
Westlands Water District
P.O. Box 6056
Fresno, CA 93703-6056

Subject: Agreement in Principle for the Potential Sharing of Costs of Enlarging Shasta Dam and Reservoir

Dear Mr. Birmingham:

Enclosed is the fully executed Agreement in Principle as referenced above for your records.

If you have any questions, please contact Mr. William Rohwer, Deputy Regional Planning Officer, at 916-978-5082.

Sincerely,

[Signature]

FOR
Donald R. Glaser
Regional Director

Enclosure in Duplicate
AGREEMENT IN PRINCIPLE FOR THE POTENTIAL SHARING
OF COSTS OF ENLARGING
SHASTA DAM AND RESERVOIR
BETWEEN THE
BUREAU OF RECLAMATION
AND THE
WESTLANDS WATER DISTRICT

THIS AGREEMENT IN PRINCIPLE is made and entered into by Westlands Water District (WWD) and the Bureau of Reclamation, collectively referred to here as “Parties,” pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which are commonly known and referred to as Reclamation Law; the Feasibility Study Act, 1980 (P.L. 96-375); and the Water Supply, Reliability, and Environmental Improvement Act, 2004 (P.L. 108-361).

A. The CALFED Record of Decision, dated August 28, 2000, stated that expanding water storage capacity is critical to the successful implementation of all aspects of the CALFED Program. The CALFED Record of Decision identified five potential projects for further study that would increase water storage capacity: In-Delta Storage, Shasta Dam and Reservoir Enlargement, North-of-the-Delta Offstream Storage (Sites Reservoir), Los Vaqueros Reservoir Expansion, and Upper San Joaquin River Basin Storage. Reclamation has expended funds toward the feasibility study of enlarging Shasta Dam and Reservoir as identified in the CALFED Record of Decision.

B. Reclamation, as the Federal partner, may be willing to enter into formal negotiations for the sharing of costs to enlarge Shasta Dam and Reservoir, contingent upon the following:
   (2) Feasibility Report findings that there is a Federal interest in implementing the proposed action.
   (3) Feasibility Report findings that the proposed action has engineering, environmental, economic, and financial feasibility.
   (4) Feasibility Report recommendation to construct the project if authorized by Congress.  
   (5) Enactment of Congressional legislation to authorize construction of the project.
   (6) Costs are allocated in accordance with the authorizing legislation.
   (7) Water rights permits are acquired by either or both parties from the State of California for the project.
C. WWD, as the local partner, may be willing to enter into formal negotiations for the sharing of costs to enlarge Shasta Dam and Reservoir contingent upon the following:

(1) Completion of the Feasibility Report, Environmental Impact Statement, and Record of Decision by the Bureau of Reclamation.

(2) Feasibility Report findings that the proposed action has engineering, environmental, economic, and financial feasibility acceptable to WWD.

(3) Feasibility Report recommendation to construct the project if authorized by Congress.

D. At any time, either Party may terminate this Agreement in Principle upon 60 days written notification to the other Party.

E. This Agreement in Principle does not preclude 3rd party agreements for sharing the cost of enlarging Shasta Dam and Reservoir.

F. This Agreement in Principle does not bind either Party to enter into formal negotiations with the other Party for the sharing of costs to construct the project, even if all of the conditions described in B. and C. have been met.

G. This Agreement in Principle shall terminate on September 30, 2012, unless otherwise amended or extended by written, mutual consent of the Parties.

H. Notwithstanding the execution of an agreement to share in the costs to construct the project between the Parties, the United States' share of the costs is contingent upon appropriations by Congress. The expenditure, advance, or proposed obligation of any funds, or the performance of any other obligation of the United States under this Agreement, is contingent upon appropriation or allotment of funds in accordance with section 1341 of title 31 of the United States Code. The parties hereby acknowledge and agree that no liability will accrue to the United States for any failure to perform any obligation under this Agreement, in the event that funds are not appropriated or allotted.

I. Notices and information to be exchanged between Reclamation and WWD on the administration of this Agreement should be sent to:

Regional Planning Officer
Bureau of Reclamation
Mid-Pacific Region
2800 Cottage Way, MP-700
Sacramento, CA 95825
916-978-5062

Deputy General Manager - Resources
Westlands Water District
P.O. Box 6056
Fresno, CA 93703-6056
559-241-6215
The Parties have executed this Agreement in Principle on this ___ day of April, 2009.

WESTLANDS WATER DISTRICT

[Signature]
Tom Birmingham, General Manager

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

[Signature]
Donald R. Glaser, Regional Director