

Appendix 1012

WATER: CALIFORNIA

**METROPOLITAN WATER DISTRICT AND SAN
DIEGO COUNTY WATER AUTHORITY,
OCTOBER 4, 1946**

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

ARIZONA-CALIFORNIA-NEVADA

CONTRACT MERGING RIGHTS OF THE CITY OF SAN DIEGO AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA UNDER CONTRACTS WITH THE UNITED STATES DATED FEBRUARY 15, 1933, AND APRIL 24, 1930 (AMENDED SEPTEMBER 28, 1931), RESPECTIVELY

1. THIS CONTRACT, made this 4th day of October 1946, pursuant to the Act of Congress, approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, all of which Acts are commonly known and referred to as the Reclamation Law and particularly pursuant to the Act of Congress, approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by J. A. Krug, Secretary of the Interior (hereinafter referred to as the "Secretary"), THE CITY OF SAN DIEGO, a municipal corporation (hereinafter referred to as "San Diego"), the SAN DIEGO COUNTY WATER AUTHORITY, a municipal corporation (hereinafter referred to as the "Authority"), and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation (hereinafter referred to as the "District");

Witnesseth that:

2. Whereas, under date of August 18, 1931, the Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, The Metropolitan Water District of Southern California, City of Los Angeles, The City of San Diego and County of San Diego entered into an agreement fixing their respective priorities in waters of the Colorado River available for use in California under the Colorado River Compact and the Boulder Canyon Project Act,

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which said contract is hereinafter referred to as the "Seven-Party Priority Agreement"; and

3. Whereas, under date of April 24, 1930, the United States and the District entered into a water delivery contract, which contract, as amended by supplementary contract between said parties dated September 28, 1931, provides for delivery by the United States to the District of waters of the Colorado River in accordance with said schedule of priorities as fixed in the Seven-Party Priority Agreement; said Contract, as amended by said Supplementary contract of September 28, 1931, being herein referred to as the "District's Water Delivery Contract"; and

4. Whereas, under date of February 15, 1933, the United States and San Diego entered into a water delivery contract approved by the County of San Diego, which contract provides for the delivery by the United States to San Diego of waters of the Colorado River, in accordance with said schedule of priorities as fixed in the Seven-Party Priority Agreement, said contract being for the benefit of San Diego and the County of San Diego, and being hereinafter referred to as the "San Diego Water Delivery Contract"; and

5. Whereas the priorities so agreed upon, and set out in said Seven-Party Priority Agreement and said water delivery contracts, are as follows, to-wit:

"SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said district as it now exists and upon lands between said district and the Colorado River, aggregating (within and without said district) a gross area of 104,500 acres, such waters as may be required by said lands.

"SEC. 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

"SEC. 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the 'Lower Palo Verde Mesa,' adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre-feet of water per annum less the beneficial consumptive use under the priorities designated in sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in sections 1, 2, and 3 of this article shall not exceed 3,850,000 acre-feet of water per annum.

"SEC. 4. A fourth priority to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum.

"SEC. 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use by themselves and/or others, on the Coastal Plain

of Southern California, 550,000 acre-feet of water per annum and (b) to The City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

"SEC. 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the 'Lower Palo Verde Mesa,' adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

"SEC. 7. A seventh priority of all remaining water available for use within California for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation";

and

6. Whereas the Authority was created pursuant to the provisions of the "County Water Authority Act" of the State of California (Stats. 1943, p. 2090) and includes the corporate area of San Diego, together with other portions of the County of San Diego, and was created to the end that San Diego and other parts of the said county may participate in the benefit of Colorado River water as contemplated by the terms of said contract between the United States and San Diego, dated February 15, 1933; and

7. Whereas it is provided in the said County Water Authority Act that each public agency whose corporate area shall be a part of the Authority (San Diego, by definition, being considered a public agency for the purposes of said Act) shall have a preferential right to purchase from the Authority a percentage of the water supply of the Authority, determined as therein set out; and

8. Whereas the act under which the District was incorporated provides that each city whose corporate area shall be a part thereof (the Authority, by definition, being considered a city for the purposes of said act) shall have a preferential right to purchase from the District a percentage of the water supply of the District, determined as therein set out; and

9. Whereas it is proposed to submit to the electors of the Authority the proposition of annexing the corporate area of the Authority to the District, and, in the event that such corporate area of the Authority shall be so annexed to and become a part of the District, it would be against the public interest that any part of the enlarged District should participate in the water supply administered by the District, in any manner or under any schedule of priority differing from that generally applicable in other parts of the District, and the public interest will be best served, in the event of such annexation, by merging the contract, rights and certain priorities as herein pro-

vided, and, so far as the parties hereto are concerned, treating such priorities as a single priority, to be vested in, and administered by, the District; and

10. Whereas in the event of annexation of the corporate area of the Authority to the District, under the terms of the Metropolitan Water District Act, the Authority will have a right in the aggregate water supply of the District, and San Diego, whose corporate area is a part of the Authority, under the terms of the County Water Authority Act, will have a right in the water available to the Authority; and

11. Whereas the right to participate in the use of the waters of the Colorado River, which San Diego will enjoy by reason of its corporate area being a part of the Authority and the corporate area of the Authority being a part of the District, will be of great value to San Diego, and the interests of San Diego will be protected and advanced by the execution of this contract;

Now, therefore, in consideration of the premises, it is agreed that:

12. Under the conditions set out in Article 14 hereof and not otherwise, the right to storage and delivery of Colorado River water now vested in San Diego for the benefit of San Diego and the County of San Diego and evidenced by said San Diego Water Delivery Contract, shall be and is hereby assigned and transferred to and vested in the District and shall be and is hereby merged with and added to the rights of the District under the District's Water Delivery Contract, and the rights and obligations now vested in and imposed on San Diego as evidenced by said San Diego Water Delivery Contract shall be and are hereby accepted and assumed by said District and such rights and obligations shall be administered and observed by the District and considered a part of the water supply and a part of the rights and obligations of the District for all purposes and particularly for the purposes of Section 5½ of the Metropolitan Water District Act, without reference to priority as between the Authority and any other part or parts of the District, provided that as between the District (including the Authority) and the United States and other parties to the Seven-Party Priority Agreement, nothing herein shall be construed as increasing the amount of water available to the District and/or the Authority under the fourth priority set out in the recitals hereof, or otherwise prejudicing the respective rights of other parties to the Seven-Party Priority Agreement in the water of the Colorado River. The point of delivery of all water delivered to the District under its outstanding water delivery contract and hereunder, shall be at the District's intake above Parker Dam and the United States hereby agrees that the diversion point of water heretofore agreed to be delivered to San Diego under said water delivery contract of February 15, 1933, is hereby transferred from

the point on the Colorado River immediately above the Imperial Dam to the District's intake at a point on the Colorado River immediately above Parker Dam.

13. In the event that the corporate area of the Authority shall at any time cease to be a part of the District, the said contract between the United States and San Diego dated February 15, 1933, shall be revived and reinstated, and shall thereupon become severally operative; provided, that the right of the Secretary to cancel such contract for the nonuse of water thereunder, shall not be exercised within ten years from the date when the corporate area of the Authority shall cease to be a part of the District.

14. This contract shall be of no force or effect until and unless:

(a) The corporate area of the Authority is annexed to the corporate area of the District prior to December 31, 1946, and at a time when the corporate area of San Diego is a part of the corporate area of the Authority;

(b) A majority of the qualified electors of San Diego voting on the proposition shall authorize the transfer and assignment to the District by San Diego of San Diego's rights and obligations under the Water Delivery Contract between the United States and the City of San Diego dated February 15, 1933, relating to the waters of the Colorado River;

(c) A majority of the qualified electors of San Diego voting on the proposition shall authorize the transfer and assignment to the Authority of San Diego's rights and obligations under the contract dated October 17, 1945 (NOy-13300), granting San Diego a lease of the aqueduct being constructed by the United States Navy from San Jacinto Tunnel to San Vicente Reservoir, except San Diego's obligations under Article 2 (a) of said contract to construct a water treatment plant and other works as contemplated by the San Diego bond issue approved April 17, 1945, and the obligation under Article 2 (c) of said contract that San Diego supply all Government agencies within the area with an adequate supply of water at nondiscriminatory rates, and on condition that if the Authority shall cease to be a portion of the corporate area of The Metropolitan Water District of Southern California, the said Lease-Contract shall revert to San Diego, subject to all modifications, defaults or acts of the Authority, affecting the said Lease Contract;

(d) A majority of the qualified electors of the Authority voting on the proposition shall authorize the acceptance of the rights and the assumption by the Authority of the obligations transferred to the Authority by the assignment of the contract dated October 17, 1945 (NOy-13300).

15. This contract is made upon the express condition, and with the express understanding, that all rights hereunder shall be subject to and controlled by, the Colorado River Compact, being the Compact signed at Santa Fe, New Mexico, November 24, 1922, which compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

16. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

17. Except as expressly modified by the terms hereof, outstanding contracts between the United States and the respective parties hereto shall remain in full force and effect.

18. This contract shall be known as the "1946 Merger Contract."

In witness whereof, the parties hereto have executed this contract the day and year first above written.

THE UNITED STATES OF AMERICA,
By WARNER W. GARDNER,
Acting Secretary of the Interior.

THE CITY OF SAN DIEGO,
By F. A. RHODES,
City Manager.

Attest:
[SEAL] FRED W. SICK, *City Clerk.*

SAN DIEGO COUNTY WATER AUTHORITY,
By J. L. BURKHOLDER,
General Manager.

Attest:
[SEAL] W. H. JENNINGS, *Secretary.*

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

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[SEAL]

Attest:
A. L. GRAM, *Executive Secretary.*

Approved as to form:

JAMES H. HOWARD,
General Counsel.

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As evidence of its approval of the foregoing contract between the United States, The City of San Diego, the San Diego County Water Authority, and The Metropolitan Water District of Southern California, the County of San Diego has caused the signature of the Chairman of Its Board of Supervisors to be affixed thereto.

BOARD OF SUPERVISORS OF THE COUNTY
OF SAN DIEGO.

By DAN ROSSI, *Chairman pro tem.*

Attest:

[SEAL]

J. B. McLEES, *County Clerk.*

By M. NASLAND, *Deputy.*

I hereby approve the form and legality of the within 1946 Merger Contract, this 9th day of October 1946.

J. F. DuPAUL,
City Attorney, The City of San Diego.