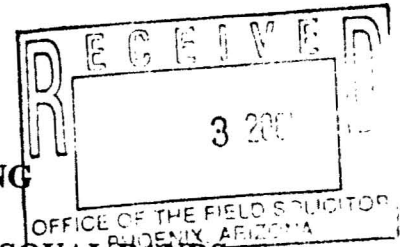


**IMPLEMENTATION AGREEMENT AMONG
THE UNITED STATES OF AMERICA,
THE LA JOLLA, PALA, PAUMA, RINCON AND SAN PASQUAL BANDS
OF MISSION INDIANS,
THE SAN LUIS REY INDIAN WATER AUTHORITY,
THE CITY OF ESCONDIDO, AND
THE VISTA IRRIGATION DISTRICT**



THIS IMPLEMENTATION AGREEMENT ("Implementation Agreement") is entered into as of this 18th day of January, 2001, among the United States of America ("United States"), acting by and through its Secretary of the Interior ("Secretary"); the San Luis Rey River Indian Water Authority, a permanent intertribal entity recognized and approved by Public Law 100-675 ("Indian Water Authority"); the La Jolla, Pala, Pauma, Rincon, and San Pasqual Bands of Mission Indians, acting through the governing bodies of each respective Band as duly recognized by the Secretary ("Indian Bands"); the City of Escondido, a general law city organized and existing under the laws of the State of California, acting on its on behalf and as successor to the Escondido Mutual Water Company ("Escondido"); and the Vista Irrigation District, a public agency of the State of California organized and existing under the Irrigation District Act of the State of California ("Vista"); and each of which is at times referred to individually as "Party" and which are at times collectively referred to as "Parties." This Implementation Agreement is entered into 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 Federal Reclamation Law, including the Act of Congress approved December 21, 1928 (45 Stat. 1057), referred to as the "Boulder Canyon Project Act," and the Act of Congress approved November 17, 1988 (Public Law 100-675), and acts amendatory thereof or supplementary thereto, hereinafter referred to as "Public Law 100-675."

EXPLANATORY RECITALS

- A. WHEREAS, the United States has constructed the All-American Canal and its Coachella Branch ("Coachella Canal") in accordance with the Boulder Canyon Project Act; and
- B. WHEREAS, the Secretary, pursuant to Title II of Public Law 100-675 ("Title II"), is authorized to construct a new lined canal or to line the previously unlined portions of the All-American Canal, from the vicinity of Pilot Knob to Drop 4, or

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to construct seepage recovery facilities in the vicinity of Pilot Knob to Drop 4 ("All-American Canal Lining Project"), and to construct a new lined canal or to line the previously unlined portions of the Coachella Canal from Siphon 7 to Siphon 32 ("Coachella Canal Lining Project"), including measures to protect public safety; and

- C. WHEREAS, appropriate environmental review and compliance for the All-American Canal Lining Project and the Coachella Canal Lining Project have been or are being completed in accordance with state and federal law; and
- D. WHEREAS, the Congress has found the inadequacy of the San Luis Rey River, located in San Diego County, California, to supply the needs of both the Indian Bands, and Escondido, and Vista has given rise to litigation; and
- E. WHEREAS, litigation is pending in the United States District Court for the Southern District of California to determine the rights of the Indian Bands and Escondido and Vista to the water in the San Luis Rey River, related proceedings are pending before the Federal Energy Regulatory Commission, and on November 17, 1988, the President of the United States approved Title I of Public Law 100-675 ("Title I"), to provide for the settlement of this litigation; and
- F. WHEREAS, Title I authorized and directed the Secretary to: (1) arrange for the development of not more than a total of 16,000 acre-feet per year of supplemental water from public lands within the State of California outside the service area of the Central Valley Project; or (2) arrange to obtain not more than a total of 16,000 acre-feet per year either from water conserved by the works authorized in Title II, or through contract with the Metropolitan Water District of Southern California ("MWD"); and
- G. WHEREAS, Title I was amended on October 27, 2000, to require that in order to fulfill the trust responsibility to the Bands, the Secretary, acting through the Commissioner of Reclamation, shall permanently furnish annually 16,000 acre-feet of the water conserved by the works authorized in Title II, for the benefit of

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the Indian Bands and Escondido and Vista (together with the Indian Water Authority, the "San Luis Rey Settlement Parties") in accordance with the settlement agreement referred to in Title I ("Settlement Agreement"), along with power capacity and energy in amounts sufficient to convey said water from Lake Havasu through the Colorado River Aqueduct and to the places of use on the Bands' reservations or in the service areas of Vista and Escondido (the "Local Entities"); and

H. WHEREAS, MWD, San Diego County Water Authority, the San Luis Rey Settlement Parties, and the United States are involved in the negotiation of the terms and conditions of an agreement which will provide the means to convey, exchange, or otherwise utilize the water conserved for the benefit of the San Luis Rey Settlement Parties; and

I. WHEREAS, appropriate environmental review and compliance for this Implementation Agreement is being conducted in accordance with federal law.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. In order to fulfill the trust responsibility to the Indian Bands, and in accordance with his authority under the Boulder Canyon Project Act, the 1964 Decree in *Arizona v. California*, and Title I of Public Law 100-675, as amended, the Secretary, acting through the Commissioner of Reclamation, shall permanently furnish annually 16,000 acre-feet of the water conserved by the works authorized by Title II of Public Law 100-675 to the Indian Water Authority (for the benefit of the Indian Bands), Escondido, and Vista.

2. Until completion of the construction of the works authorized by Title II, the Secretary shall furnish annually 17% of any water conserved by said works up to a maximum of 16,000 acre-feet per year. After completion of construction, the Secretary shall permanently furnish annually 16,000 acre-feet of the water conserved by said works.

3. The water delivery obligations of the Secretary under paragraphs 1 and 2 above shall exist only when the following conditions are met:

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3.1 The United States, Escondido, Vista, and the Indian Bands have entered into a settlement agreement providing for the complete resolution of all claims, controversies, and issues involved in all of the pending proceedings among the parties in the United States District Court for the Southern District of California and the Federal Energy Regulatory Commission, and stipulated judgments or other appropriate final dispositions have been entered in said proceedings.

3.2 The Indian Water Authority, Indian Bands, Escondido, and Vista have entered into an agreement or agreements with appropriate parties which provide the means to convey, exchange, or otherwise utilize said 16,000 acre feet per year of water for the benefit of the Indian Bands, Escondido, and Vista.

3.3 The Indian Water Authority and the Local Entities shall pay their proportionate share of such costs as are provided by section 203(b) of Title II or are agreed to by them.

4. This Implementation Agreement is subject to and conditioned upon the completion of the pending environmental analysis and review as required by federal law of the effects of the conservation and delivery of water as provided herein. Information obtained from such review may, in the discretion of the Secretary, serve as the basis to modify the terms of this Implementation Agreement. If any of the other Parties to this Implementation Agreement do not agree to such modifications, this Implementation Agreement will be terminated and all Parties will be permitted to proceed as if this Implementation Agreement had never been executed.

IN WITNESS WHEREOF, the Parties have executed this Implementation Agreement as of the day and year first above written.

UNITED STATES OF AMERICA

By: 

Bruce Babbitt

Secretary of the Interior

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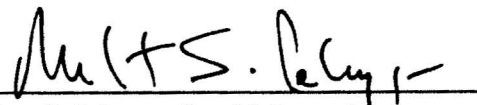
January 18, 2001

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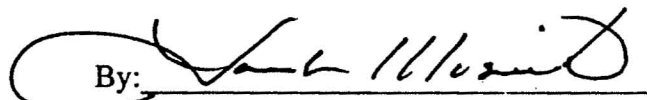
**SAN LUIS REY RIVER INDIAN WATER
AUTHORITY**

By: 
Benjamin A. Magante, Sr.
President

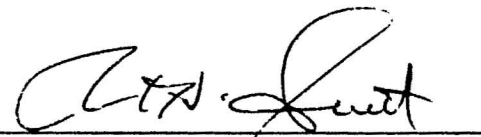
APPROVED AS TO FORM:

By: 
Robert S. Pelcyger, Special Counsel

LA JOLLA BAND OF MISSION INDIANS

By: 
Jack W. Musick
Chairman

PALA BAND OF MISSION INDIANS

By: 
Robert H. Smith
Chairman

PAUMA BAND OF MISSION INDIANS

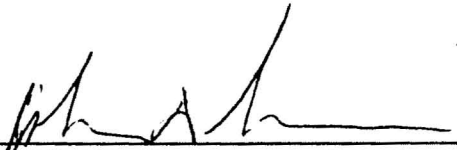
By: 
Chirstobal C. Devers
Chairman

SAN LUIS REY SECRETARIAL IMPLEMENTATION AGREEMENT

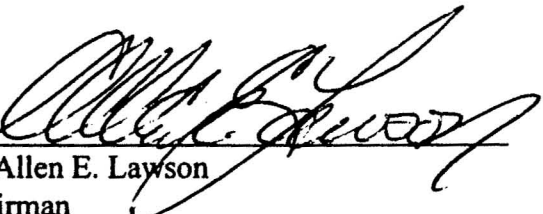
January 18, 2001

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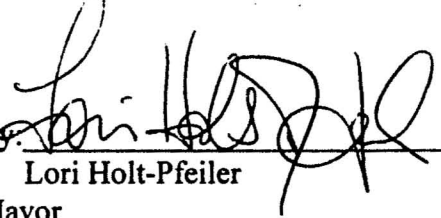
**RINCON SAN LUISENO BAND OF MISSION
INDIANS**

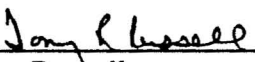
By: 
John D. Currier
Chairman

SAN PASQUAL BAND OF MISSION INDIANS

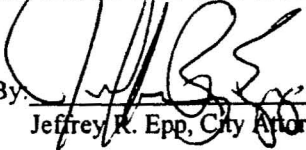
By: 
Allen E. Lawson
Chairman

CITY OF ESCONDIDO

By: 
Lori Holt-Pfeiler
Mayor

By:  1/17/01
Tony Russell
Acting City Clerk

**APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY**

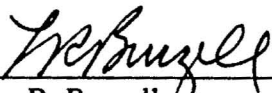
By: 
Jeffrey R. Epp, City Attorney

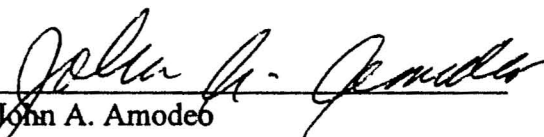
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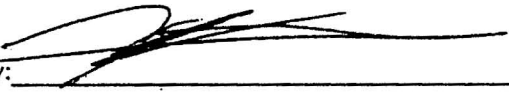
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VISTA IRRIGATION DISTRICT

By: 
Linden R. Burzell
President, Board of Directors

By: 
John A. Amodeo
General Manager and Chief Engineer

APPROVED AS TO FORM:

By: 
Kent H. Foster, General Counsel