

## SERVICE AGREEMENT

THIS AGREEMENT made and executed this 2<sup>ND</sup> day of JULY, 1987, by and between Redwood Valley County Water District (hereafter, "District") and the Governing Council of the Redwood Valley or Little River Band of Pomo Indians of the Redwood Valley Rancheria (hereafter, "Rancheria").

### RECITALS

WHEREAS, District is a county water district duly organized and existing under and in conformity with the laws of the State of California and is located in Mendocino County; and

WHEREAS, District as presently organized draws water from intake facilities in Lake Mendocino, treats that water and distributes it throughout the District and to the Calpella Water District; and

WHEREAS, Rancheria is a federally recognized Indian rancheria; and

WHEREAS, the United States of America owns land located in Redwood Valley, Mendocino County, California, in trust for the Indians of the Redwood Valley Rancheria, which land is more specifically described and depicted on Exhibit "A," which is attached hereto and incorporated herein by reference as though set forth in full; and

WHEREAS, said lands lie partially within and partially without the existing District boundaries; and

WHEREAS, Northern Circle Indian Housing Authority (hereafter "NCIHA"), the housing authority for the Rancheria, is currently undertaking to construct a general purpose, single story office building and 25 single family houses and related facilities, including a water distribution system on the lands described in Exhibit A; and

WHEREAS, the Department of Housing and Urban Development, Office of Indian Programs (hereafter "HUD" or "OIP") is providing the funds for these projects and the Indian Health Service of the Public Health Service, Department of Health and Human Services (hereafter, "IHS") is constructing the water distribution system under an agreement with the Rancheria; and

WHEREAS, in order to provide water for existing and planned facilities constructed on the lands described in Exhibit A NCIHA and the Rancheria require a source of water; and

WHEREAS, the District is willing to provide water to the Rancheria on the terms and conditions stated in this Agreement but is not willing to annex additional territory into the District, including the lands described in Exhibit A; provided the Rancheria takes steps as stated in this Agreement to secure a right to water in Lake Mendocino;

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE-RECITED FACTS, District and Rancheria agree as follows.

#### AGREEMENT

1. SALE AND PURCHASE OF WATER. Under the Judgment filed on May 30, 1980 in Mendocino County Russian River Flood Control and Water Conservation Improvement District v. Redwood Valley County Water District, Mendocino County Superior Court No. 42059, District is entitled to purchase "surplus water" from the Mendocino County Russian River Flood Control and Water Conservation Improvement District (hereafter, "Mendocino"). "Surplus water" is defined in the Judgment as the difference between Mendocino's entitlement of 8,000 acre feet from lake Mendocino and the amount thereof put to beneficial use within Mendocino within a year. As used in this Agreement "District surplus water" means the difference between the amount of water put to beneficial use within District and the total surplus water District is entitled to purchase from Mendocino plus any other water District acquires a right to use and sell from any other source. District agrees to sell to Rancheria as much District surplus water as Rancheria desires to purchase, up to and including 50,000 gallons per day ("gpd"), at a price and on terms as further specified in this Agreement. District presently determines the total number of services it will provide based on its treatment capacity. 1800 services is the current maximum number of services based on District's present capacity. District agrees to deduct the total number of services upon which Rancheria's total connection fees are calculated from the maximum number of services authorized within District in determining the number of services available within the District.

It is understood that the District cannot and it does not guarantee the amount, if any, of District surplus water that now exists or may exist in the future. In the event that there is no District surplus water, then the District has no obligation to sell any more to the Rancheria.

2. PRICE. District agrees to sell and Rancheria agrees to purchase District surplus water at a rate prevailing at the time of delivery that District charges District customers for water sold within District.

3. CONNECTION FEE. A connection fee for the master meter shall be paid by the Rancheria to the District, which fee will be a sum equal to the District's prevailing rate for the connection of a three-quarter (3/4) inch service times the number of units to be served by the Rancheria. Rancheria shall notify District at the time it applies for the connection of its master meter of the total number of services to be provided on the Rancheria from water provided to the master meter. At any such time in the future as Rancheria seeks to add new services to those serviced from the master meter, it will so notify District.

4. TERMS OF PAYMENT. District will submit monthly bills to Rancheria for water delivered in the previous month based upon a meter reading. The Rancheria shall be subject to the District rules as they may from time to time be amended pertaining to all other similar users concerning payment, delinquency, termination of service, late charges, reconnection fees, and all other matters.

5. CONNECTIONS FOR SERVICE. Any extension or replacement of the District's distribution system up to and including the master meter will be done by a licensed contractor under the District's then established procedure for main extensions. Any work pertaining to the distribution system within the Rancheria and outside the District which may hereafter be offered to the District for acceptance shall be constructed and inspected pursuant to the established procedures of the District before the underground portion is covered.

6. NEGOTIATIONS WITH COVELO INDIAN COMMUNITY. The parties believe that the Covelo Indian Community of the Round Valley Indian Reservation (hereafter, "CIC") has federally reserved water rights to water in the Eel River with a priority date of 1873. Eel River water is diverted at the Van Arsdale reservoir through a diversion tunnel to a hydroelectric generating facility in Potter Valley, where it is discharged into the East Fork of the Russian River. In the summer these Eel River diversions provide most of the water that is eventually stored in Lake Mendocino. Within thirty (30) days from the date that Rancheria connects to District's water system it shall initiate negotiations with the CIC to acquire water from CIC which is surplus to its needs for delivery to the lands described in Exhibit A through the District's Treatment Plant and distribution system. At such time that such an agreement is successfully negotiated and its validity established, Rancheria and District shall renegotiate the terms under which District shall deliver water to Rancheria. Those terms shall include provision for Rancheria making water acquired from CIC available to District for use within District. Rancheria shall use its best efforts to negotiate an agreement with CIC. It shall make periodic reports to District as to the progress of those negotiations. District shall be entitled at any time to request a report from Rancheria on the status of the negotiations. Within thirty (30) days of such a request Rancheria shall provide District with the requested report.

7. ASSIGNMENT. Neither party to this Agreement shall assign or otherwise transfer this Agreement or any interest therein, or monies payable hereunder without the prior written consent of the other party.

8. PREVIOUS AGREEMENT. This Agreement comprises the entire agreement between the parties with respect to its subject matter. Any and all existing statement or agreement, whether oral or written, or renewals thereof, between the parties hereto, covering the same subject matter, are hereby cancelled and superseded by this Agreement, and such prior agreement shall have no further force or effect.

9. PARAGRAPH HEADINGS. The paragraph headings contained herein are for convenience and reference only and are not intended to define or limit the scope of this Agreement.

10. NOTICE. Whenever notice to a party is required by this Agreement, it shall be deemed given when deposited with proper address and postage in the U.S. Mail or when personally delivered as follows:

RANCHERIA: Governing Council of the  
Redwood Valley Rancheria

DISTRICT: Redwood Valley County Water District  
P.O. Box 412 399 <sup>ET</sup>  
Redwood Valley, CA 95470

11. DUPLICATE ORIGINALS. This Agreement may be executed in one or more duplicate originals bearing the original signature of both parties and when so executed any such duplicate original shall be admissible as proof of the existence and terms of the Agreement between the parties.

REDWOOD VALLEY COUNTY WATER  
DISTRICT

By: *D. G. [Signature]*  
Chairman

ATTEST:

*Keith Siemann*  
Clerk of the Board of  
Directors

GOVERNING COUNCIL OF THE  
REDWOOD VALLEY OR LITTLE RIVER  
BAND OF POMO INDIANS OF THE  
REDWOOD VALLEY RANCHERIA

By: *Rita Noel*  
Chairperson

ATTEST:

*Carol A. Hansen*  
Tribal Secretary