

MEMORANDUM

Date: October 21, 2020
To: Board of Directors
From: Tom Hennig, General Manager
Subject: Potential Reorganization/Renegotiation of the 1988 Agreement Related to the CIA Ditch

HISTORY

In January 1988, the Cosumnes Irrigation Association (CIA) and Rancho Murieta CSD (District) signed an agreement to share the management and costs for the CIA Ditch. This agreement is attached to this memorandum. This agreement governs the maintenance and use of the CIA Ditch.

The CIA Ditch (Ditch) is 4.4 miles long, of which 2.5 miles is within the District jurisdiction. It begins at the Granlees Dam and runs along side the Cosumnes river until it reaches the Yellow Bridge. At the bridge, the Ditch turns North, it goes under then alongside the Jackson Highway to the large diversion box behind the soon to open Starbucks. At that point, the Ditch can divert a portion or all of the water into Laguna Joaquin or through a syphon under Murieta Drive to the basin behind the Fire Station. From that point, water in the Ditch travels to the Equestrian Center and then to the ranches to the West. The Ditch water is eventually used to irrigate various types of farmlands. During the rainy season the Ditch returns water to the Cosumnes River.

Over the past thirty-two years, the maintenance of the Ditch has primarily been the responsibility of the District. The agreement is designed to control the use of the Ditch and to provide a mechanism for payment for the delivery of the water and the ongoing maintenance of the system. Included in the agreement is the option to reevaluate the agreement and cost allocation every five years. As of today, the reevaluation option has not been exercised. The Board has determined the need to evaluate the District's fiscal and logistical position with this agreement.

SUMMARY

This discussion will establish a framework for moving forward with a potential change to the 1988 agreement. Once the CIA and District have developed a plan, we will return to the Improvements Committee with a recommended strategy. Proposed changes to the District's relationship with the CIA Ditch will need to be finalized by March 2021, and will take effect on July 1, 2021. The Carol Anderson Ward Trust, and Carol Anderson Ward has indicated through her representative that the members look forward to developing a plan that works for RMCS D.

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Recording Requested By:
Rancho Murieta Community
Services District
When Recorded Return To:
Rancho Murieta Community
Services District
P.O. Box 1050
Rancho Murieta, CA 95683

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NO
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AGREEMENT AMONG CIA, RMPI AND CSD
REGARDING GRANLEES DAM, CIA CANAL AND
WATER RIGHTS PERTAINING THERETO

The Cosumnes Irrigation Association (CIA), Rancho Murieta
Properties, Inc. (RMPI), and Rancho Murieta Community Services
District (District) agree as follows:

1. Acknowledgment of Ownership of Granlees Dam and Canal
at Rancho Murieta.

A. CIA is a partnership, which owns and operates the
existing Granlees Dam and CIA Canal on the north side of the
Cosumnes River, in Section 35, T 8 N, R 8 E, Sacramento County,
California. The Association consists of the following partners
or members, having the following respective interests:

1	Fred and Patricia Anderson	32.18%
2	Fred and Patricia Anderson and	
3	John and Carol Sullivan	32.42%
4	Rancho Murieta Properties, Inc.	35.40%

5 B. RMPI hereby assigns, conveys, grants and otherwise
6 transfers the entirety of RMPI's interest, rights and obligations
7 in CIA and under the CIA partnership agreement, and amendment
8 thereto (attached hereto as Exhibits A and B and incorporated
9 herein) to District. CIA agrees to, and District accepts, the
10 above-described transfer by RMPI to District.

11 C. RMPI and District acknowledge that CIA has an easement
12 for the maintenance, operation, repair and replacement of the
13 Granlees Dam in the Cosumnes River, consisting of two dam
14 structures separated by an island; the Canal Forebay; and the
15 existing Canal along the north Bank of the Cosumnes River,
16 running westerly and approximately parallel to the River, to and
17 under Highway 16, thence along the southerly side of Highway 16,
18 crossing Murieta Parkway in an underground pipeline, and thence
19 to the boundary of the Anderson/Sullivan agricultural lands at
20 Lone Pine Road. The Dam and Canal are shown approximately on the
21 Map attached hereto, Exhibit C, and are within the following
22 described lands:

- 23 a. The Dam and the Canal Forebay are in the
- 24 SW-1/4 of the SE-1/4 of Section 35, T 8 N,
- 25 R 8 E;
- 26 b. The Canal is located within the aforesaid
- 27 quarter-quarter Section in the SE-1/4 of the

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1 SW-1/4 of said Section 35; and in the north
2 1/2 of Sections 2, 3 and 4, T 7 N, R 8 E, and
3 in the S-1/2 of Section 33, T 8 N, R 8 E,
4 MDM.

5 2. Joint Use of Granlees Dam and Forebay by CIA and CSD.

6 A. Easement.

7 CIA hereby grants to District an easement, for a term
8 of 40 years, which term is automatically renewed for successive
9 40 year terms unless either party objects in writing at least 180
10 days prior to expiration of a term, for the joint use of Granlees
11 Dam; and District hereby grants to CIA an easement, for a term of
12 40 years, which term is automatically renewed for successive 40
13 year terms unless either party objects in writing at least 180
14 days prior to expiration of a term, for the joint use of the
15 Canal Forebay, for the diversion of waters from the Cosumnes
16 River to the pumps for the water system serving the Rancho
17 Murieta Project and for the diversion of waters from the Cosumnes
18 River into the CIA Canal.

19 Granlees Dam operates primarily to divert water into
20 the CIA Canal during the irrigation season, from about April 1 to
21 October 30. During the period from about November 1 to March 31,
22 the Dam operates primarily to divert water to the reservoirs and
23 water system for the Rancho Murieta Project. Riparian diversions
24 occur to both CIA and Rancho Murieta Project on a year-round
25 basis. In the event the flow of water available is inadequate to
26 supply all the water to which all water users are entitled under
27

1 this Agreement, the delivery to each water user shall be in
2 proportion to its respective water entitlements during such
3 period of inadequate river flow.

4 B. Operation and Maintenance of Dam and Canal by District.

5 CIA and District agree, that for as long as the same is
6 mutually agreeable to each of the parties, District will
7 maintain, operate, and repair Granlees Dam and the CIA Canal on
8 behalf of both parties.

9 C. Sharing of Costs.

10 (1) Canal Costs. CIA will pay all of District's
11 actual and reasonable costs of maintaining, operating and
12 repairing the CIA Canal downstream from the Forebay to the
13 Anderson/Sullivan boundary at Lone Pine Road, and District
14 shall regularly bill CIA the actual and reasonable costs
15 therefor; provided that annually, if requested by CIA, District
16 will provide CIA with a copy of its duly adopted budget with
17 supporting budgetary detail of its budgeted costs to maintain,
18 operate and repair such facilities during that fiscal year.

19 (2) Forebay Costs. The costs of repair, maintenance
20 and operation of Forebay works will be paid by District.

21 (3) Dam Costs. The responsibility for the maintenance
22 and repair of Granlees Dam shall be based upon the utilization
23 thereof, both in time, length of use and quantities of water to
24 be diverted by each party.

25 (4) Notwithstanding any other provision of this
26 Agreement, CIA and District agree to reevaluate this allocation
27 of costs every five years beginning in 1988. On or before

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1 March 1 of each reevaluation year (beginning in 1988), District
2 shall submit to CIA a proposed allocation, based on actual and
3 estimated costs, usages and other relevant factors. District and
4 CIA shall endeavor to agree to a reasonable allocation on or
5 before May 1 of each reevaluation year. The five year period
6 shall run from July 1 to June 30, and not on a calendar year.

7 (5) Between this Agreement's effective date and June
8 30, 1988, the parties agree that the District and CIA shall share
9 the costs identified in Section 2C(3) on a 50-50 basis.

10 3. Water Rights Being Utilized by CIA.

11 It is agreed that all riparian rights to the lands
12 being served with irrigation water from the Cosumnes River
13 through the CIA Canal shall remain intact, and remain a part of
14 the land which is riparian; and District agrees to act as agent
15 for these riparian CIA landowners in diverting, conveying and
16 delivering water through the CIA Canal to such riparian lands.

17 It is further agreed that there are also various
18 appropriative and prescriptive rights being utilized to provide
19 irrigation water deliveries through the CIA Canal to said lands,
20 including:

21 Application 1829, License 537, of RMPI, to
22 divert .28 cfs at Granlees Dam from March 15
23 to about September 1 of each year, to
24 irrigate a total of 22-1/2 acres.

25
26 Application 2296, License 2629, of Cosumnes
27 Irrigation Association, to divert 12.5 cfs at
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1 Granlees Dam from about March 1 to about
2 July 10 of each year, to irrigate 471 acres
3 out of a gross of 569 acres.

4 District further agrees that said appropriate and any
5 prescriptive water rights shall also remain appurtenant to the
6 lands upon which said waters are being used, and District shall
7 act as agent for the owners of said water rights in diverting,
8 conveying and delivering their water entitlements thereunder.

9 4. CIA Use of Storage Space.

10 In consideration of the matters herein provided for,
11 District further agrees with CIA, as follows:

12 A. Use of Storage Space.

13 District agrees that, in summer months, when storage
14 space is available in any of its water supply reservoirs, it
15 will, at the request of over fifty percent of the membership of
16 CIA, divert from the Cosumnes River into temporary storage, any
17 water available to CIA; for re-release and use by CIA, when
18 needed to complete the adequate irrigation of crops on CIA
19 members' lands towards the later part of the irrigation season.
20 CIA shall pay, therefore, District's actual and reasonable costs
21 incurred in diverting, storing and releasing such waters as well
22 as costs for such reconstruction or construction of new
23 facilities as may be required to divert, store, and release such
24 waters and which are requested by over fifty percent of the
25 membership of CIA.

26 This shall be in addition to any irrigation water made
27 available to agricultural lands under the District Policy

1 statement on water service to agricultural lands. (See, e.g.,
2 the CSD policy Statement 85-1, Exhibit D.)

3 B. Indemnification.

4 CIA agrees to indemnify, save harmless and defend
5 District, its agents, employees or independent contractors from
6 and against any and all liabilities, claims, suits and costs and
7 expenses incident thereto, including costs of defense,
8 settlement, and reasonable attorneys' fees, which may hereafter
9 be incurred as a result of death or bodily injuries to any
10 person, destruction or damage to any property, caused in whole or
11 in part by District diverting, storing and releasing such water
12 during summer months as CIA shall have requested under paragraph
13 4A above.

14 To assist in conserving domestic water use within CIA
15 lands, District agrees to cooperate with CIA members Anderson and
16 Sullivan in implementing a plan for irrigation of the commercial
17 areas South of Highway 16 with raw water as shown by the
18 conceptual study plan by Giberson and Associates dated
19 November 3, 1986, and attached hereto as Exhibit E.

20 5. Use of and Charges for Water.

21 The parties hereto agree that water diverted pursuant
22 to the rights of CIA and partners therein shall be used, conveyed
23 and paid for pursuant to CIA rules and regulations. The parties
24 hereto agree that water diverted pursuant to the rights of
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1 District and customers thereof shall be used, conveyed and paid
2 for pursuant to District ordinances.

3
4 Dated: December 16, 1987

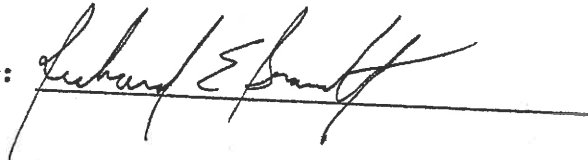
COSUMNES IRRIGATION ASSOCIATION


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6 By: 
President

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8 By: 
Secretary

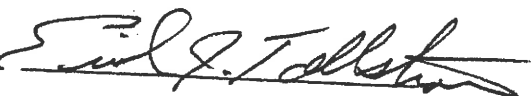
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11  SACRAMENTO COUNTY
My comm. expires OCT 9, 1990


RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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13 By: 


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15  SACRAMENTO COUNTY
My comm. expires OCT 9, 1990

RANCHO MURIETA PROPERTIES INCORPORATED

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17 By: 

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19  NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
My comm. expires OCT 9, 1990

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 NOTARY PUBLIC -
SACRAMENTO COUNTY
My comm. expires OCT 9, 1990

CORPORATE ACKNOWLEDGMENT

Agreement Among CIA, RMRJ, & CSD Re: Eraxias Dam, CIA Canal & Water

State of California

County of Sacramento

SS.

On this the 28th day of January 1988, before me,

Linda Dalene Eversole

the undersigned Notary Public, personally appeared

CORPORATE ACKNOWLEDGMENT

Agreement Among CIA, RMRJ, CSD Re: Charles Dam, CIA Canal & Water

State of California

County of Sacramento

SS.

On this the 7th day of January 1988, before me,

LINDA DALENE EVERSOLE

the undersigned Notary Public, personally appeared

Fred Anderson

CORPORATE ACKNOWLEDGMENT

Agreement Among CIA, RMRJ & CSD Re: Charles Dam, CIA Canal & Water

State of California

County of Sacramento

SS.

On this the 6th day of January 1988, before me,

Linda Dalene Eversole

the undersigned Notary Public, personally appeared

Richard E. Brandt

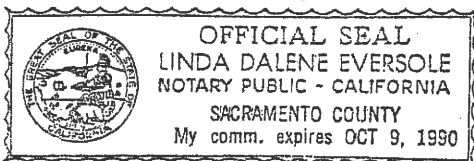
personally known to me

proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Linda Dalene Eversole



CORPORATE ACKNOWLEDGMENT

Agreement Among CIA, RMRJ & CSD Re: Charles Dam, CIA Canal, & Water

State of California

County of Sacramento

SS.

On this the 6th day of January 1988, before me,

Linda Dalene Eversole

the undersigned Notary Public, personally appeared

ERIK J. Tallstrom

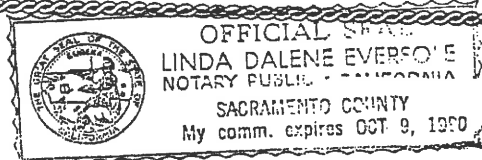
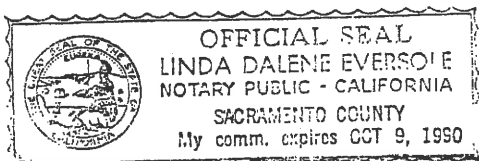
personally known to me

proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as Vice-President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Linda Dalene Eversole
Notary's Signature



THIS AGREEMENT executed this 29th day of April, 1957 by and among MARY A. W. MILLS, MARTHA ANN STEWARD, WAGNER BROTHERS, ROBERT C. CATLET and JOHN D. GRANLEES, all of Sacramento County, California:

WITNESSETH: that

WHEREAS, the parties hereto or their predecessors did under date of April 30, 1956, enter into an agreement relative to the COSUMNES IRRIGATION ASSOCIATION; and they now desire to supplement the said agreement, now therefore, the parties hereto agree as follows:

1. In addition to the privileges conferred upon the partners under the said agreement, each partner shall have the privilege, upon payment to the Association of a fee of \$10 per acre, to irrigate an additional area or areas up to a maximum of 50 acres with the water allotted to him under the said agreement, provided that each such partner shall pay assessment to the Association on such additional area or areas equal to the assessments paid by the partners under paragraph 3 of Article IV of said agreement.

2. In further addition to or clarification of the privileges conferred upon the partners under the said agreement, any partner may store water to which he is entitled under the said agreement, for later use.

3. Nothing in this supplemental agreement shall in any way increase the total quantity of water to which any partner is entitled under the said agreement,

or the interest of any partner in the Association, its properties and business.

In WITNESS WHEREOF THE parties hereto have set their hands and seals to five counterpart copies of this supplemental agreement the day and year first above written.

John D. Gingles

Wagner B. Co

By Walter Wagner

D. E. Co. 11/11/11

Walter H. Steward

W. E. Co. 11/11/11

Mr. DeWitt

THIS AGREEMENT executed this 30th day of April, 1956,
by and among MARY A. W. MILLS, MARTHA ANN STEWARD, WAGNER BROTHERS,
ROBERT C. CATTLET, and JOHN D. GRANLEES, all of Sacramento County,
California,

WITNESSETH:

WHEREAS, the parties hereto have been and are conduct-
ing business as a general partnership in Sacramento County, Cali-
fornia, under the name of Cosumnes Irrigation Association pursu-
ant to oral and written agreements of various types entered into
at various times, some of which have been lost or superseded, and

WHEREAS, the parties desire to continue the business and
to redefine the terms of their association and to commit their
agreement to writing in definitive form, now, therefore, intend-
ing to be legally bound hereby the parties hereto hereby agree
to continue the aforementioned partnership under the laws of the
State of California, under the following terms and conditions:

ARTICLE I

NAME AND PLACE OF BUSINESS

1. The name of the partnership shall be COSUMNES IRRI-
GATION ASSOCIATION, hereinafter called the Association.

2. The principal place of business of the Association
shall be at the residence of JOHN D. GRANLEES in the community of
Bridgthouse in the county of Sacramento, State of California, and
at such other localities within or without the State of California
as may be fixed by agreement of the partners.

ARTICLE II

PURPOSES OF THE BUSINESS

1. The Association shall engage in the business of operating, maintaining, repairing, constructing and reconstructing a dam and ditch system to divert water from the Cosumnes River at about the present location of Granlees Dam or at such other location as the Association may, by agreement of the partners, select, and distribute such water to the lands of the members of the Association as such lands are more particularly shown within the solid line on the "Map of Cosumnes Water District" attached to this agreement and made a part hereof as Exhibit "A"; and to engage in such related activities as may be selected by agreement of the partners.

2. In order to accomplish the foregoing purposes, the Association may acquire and dispose of real and personal property, and borrow and lend money; may execute notes, bonds, and other obligations for money borrowed, property purchased, or otherwise acquired, and secure the payment of principal and interest thereon by mortgage, pledge, hypothecation, deed of trust, or otherwise, of any or all property acquired or which may be acquired by the Association.

ARTICLE III

CAPITAL CONTRIBUTIONS, ACCOUNTS AND WITHDRAWALS

1. The capital of the Association shall consist of those appropriative and prescriptive water rights which have been acquired by the Association, as partially evidenced by license

no. 2629 issued to the Association by the State Engineer of California; Granlees Dam and the ditch system therefrom, with appurtenant works, extending to the lands of the partners. The percentage of such capital contributed by each of the partners, personally and through their predecessors in interest, is hereby fixed and defined as follows:

Mills	50.44%
Steward	.21%
Wagner Brothers	10.72%
Cattlet	18.17%
Granlees	20.46%

which contributions shall hereafter fix, for all purposes of this agreement, the interest of the partners in the Association, its properties and business.

ARTICLE IV

MANAGEMENT

1. In all matters involving the Association, including the incurring of extraordinary expense or indebtedness, expansion of business, entering new business, or withdrawal of capital, the agreement of the partners shall be necessary.

2. As used in this agreement, the term "agreement of the partners" means the agreement of those partners holding at least 75% of the interest in the Association, as set out in Article III hereof.

3. The Association shall, by agreement of the partners, levy assessments on the partners for the cost of operation,

maintenance, repair, construction and reconstruction of the said dam and ditch system and for all other costs and charges which the Association shall incur, proportionate to the interest of the partners.

4. Water diverted by the dam and ditch system shall be distributed to the lands of the partners in those relative quantities which are proportionate to the interest of the partners.

5. No water shall be diverted and distributed by the Association to lands which have not heretofore been deemed entitled to water without the agreement of the partners if it is needed by any land heretofore deemed entitled to water, unless the partner desiring to irrigate such other lands within the area shown within the solid line on Exhibit "A" shall pay to the Association an amount representing the pro rata cost of the original construction, as fixed by the partners; provided, however, that the respective interests of the partners in the Association, its capital and business set out in Article III hereof shall not be changed by such payment.

ARTICLE V

PARTNERS' POWERS AND LIMITATIONS

1. Checks shall be drawn on Association bank account for Association purposes only and may be signed by any two partners designated from time to time by the Association.

2. No partner may without the agreement of the partners:

(a) Borrow money in the name of the Association for Association purposes or utilize collateral owned by the

Association as security for such loans;

(b) Assign, transfer, pledge, compromise or release any of the claims of or debts due the Association except upon payment in full, or arbitrate or consent to the arbitration of any of the disputes or controversies of the Association;

(c) Make, execute or deliver any assignment for the benefit of creditors or any bond, confession of judgment, chattel mortgage, deed, guarantee, indemnity bond, surety bond, or contract to sell or contract of sale of all or substantially all of the property of the Association;

(d) Lease or mortgage any Association real estate or any interest therein or enter into any contract for such purposes;

(e) Become a surety, guarantor, or accommodation party to any obligation.

ARTICLE VI

TRANSFER OF INTEREST

1. No partner shall pledge or hypothecate or in any manner transfer his interest in the Association, its capital or business, except to the other parties to this agreement, without prior notice to the other partners; and the contents of this agreement shall be fully disclosed to any such transferee.

ARTICLE VII

MISCELLANEOUS

1. The Association shall maintain a bank account or

bank accounts in such bank or banks as may be agreed upon by the partners.

2. All notices provided for under this agreement shall be in writing; and shall be sufficient if sent by registered mail to the last known address of the party to whom such notice is to be given.

3. Proper and complete books of account shall be kept at all times and shall be open to inspection by any of the partners or by his accredited representative at any time during reasonable business hours.

4. The parties hereto covenant and agree that they will execute any further instruments and that they will perform any acts which are or may become necessary to effectuate and to carry on the partnership created by this agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals to five counterpart copies of this agreement the day and year first above written.

Mary A. W. Mills
Mary A. W. Mills

Martha Ann Steward
Martha Ann Steward

Herbert Wagner
Herbert Wagner

and Walter Wagner
doing business as Wagner Brothers

Robert C. Cattlet
Robert C. Cattlet

John D. Granlees
John D. Granlees