

Irrigation
R.O.Draft 05/23/2003
R.O. Draft 06/20/2003
R.O Draft 09/19/03
Contract No.
14-06-200-7859-A -IR1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
COELHO FAMILY TRUST
PROVIDING FOR PROJECT WATER SERVICE

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THIS CONTRACT, made this ___ day of _____ 2003, in
pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844),
as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1261), as
amended and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
hereinafter referred to as the Federal Reclamation law, between THE UNITED STATES OF
AMERICA, hereinafter referred to as the United States, and COEHLO FAMILY TRUST,
hereinafter referred to as the Contractor, a trust, acting pursuant to Sections 12003 and 12004 of
the California Water Codes, with its principal place of business in Riverdale, California

WITNESSETH, That:

EXPLANATORY RECITALS

WHEREAS, the United States has constructed and is operating the Central Valley
Project, California for diversion, storage, carriage, distribution and beneficial use, for flood

32 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
33 restoration, generation and distribution of electric energy, salinity control, navigation and other
34 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and
35 the San Joaquin River and their tributaries; and

36 WHEREAS, the United States constructed the Delta-Mendota Canal and related
37 facilities, hereinafter collectively referred to as the Delta-Division facilities, which will be used
38 in part for the furnishing of water to the Contractor pursuant to the terms of this interim renewal
39 contract; and

40 WHEREAS, the Contractor and the United States entered into Contract No. 14-
41 06-200-7859-A, which provided the Contractor, Central Valley Project water from the Delta-
42 Mendota Canal from August 20, 1974, to December 31, 2003; and

43 WHEREAS, the Mason Loundy Trust and the United States entered into Contract
44 No.14-06-200-7859-A, which provided the Mason Loundy Trust Central Valley Project water
45 from the Delta Mendota Canal from August 20, 1974, through December 31, 2003 which
46 established terms for the delivery of (a) 2,653 acre-feet of Schedule 2 water as a permanent
47 adjustment and settlement of the Mason Loundy Trust's asserted claims of rights to water in
48 Fresno Slough tributary to the San Joaquin River in fulfillment of such rights to the Mason
49 Loundy Trust and (b) 5,200 acre-feet of supplemental water, hereinafter referred to as Project
50 Water, and:

51 WHEREAS, the Mason Loundy Trust entered into "Partial Assignment of
52 Contract and Consent Thereof" dated December 16, 1986, assigning 1,321 acre-feet of Schedule
53 2 water and 3,120 acre-feet of Project Water of Contract No. 14-06-200-7859-A to the State of
54 California Department of Fish & Game, Wildlife Conservation Board, leaving a balance of 1,332

55 acre-feet of Schedule 2 water and 2,080 acre-feet of Project Water available to the Mason
56 Loundy Trust under Contract No. 14-06-200-7859-A; and

57 WHEREAS, the Mason Loundy Trust entered into the “Assignment of Contract,
58 Consent Thereto and Assumption Thereof” dated August 22, 1995, assigning the 1,321 acre-feet
59 of Schedule 2 water and 2,080 acre-feet of Project Water remaining available under Contract No.
60 14-06-200-7859-A to the Contractor; and

61 WHEREAS, Schedule 2 water is not the subject of this interim contract and will
62 continued to be delivered and administered under the terms and conditions of Contract No.14-06-
63 200-7859-A; and

64 WHEREAS, in order to continue water service provided under Project water
65 service contracts that expire prior to the completion of the programmatic environmental impact
66 statement (PEIS), the United States intends to execute interim renewal contracts for a period not
67 to exceed three (3) Years in length, and for successive interim periods of not more than two
68 (2)Years in length, until appropriate environmental documentation, including the PEIS, is finally
69 completed, at which time the Secretary shall, pursuant to Federal Reclamation law, upon request
70 of the Contractor, enter into a long-term renewal contract for a period of (25)Years; and may
71 thereafter renew such long-term renewal contracts for successive periods not to exceed (25)
72 Years each; and

73 WHEREAS, the Contractor has requested an interim renewal contract until such
74 time that environmental documentation is completed and a long-term renewal contract is
75 executed and;

76 WHEREAS, The Contracting Officer has determined that the Contractor has the
77 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable

78 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
79 interim renewal contract; and

80 WHEREAS, rights of renewal of Contract No. 14-06-200-7859-A and to convert
81 said contract to a contract as provided by subsection (d), Section 9 of the Act of August 4, 1939
82 (53 Stat. 1187), are set forth in said contract; and

83 WHEREAS, the Secretary intends to assure uninterrupted water service and
84 continuity of contract through the process set forth in Article 2 hereof; and

85 WHEREAS, the United States is willing to execute this interim contract pursuant
86 to Section 3404(c)(1) of the CVPIA on the terms and conditions set forth below;

87 NOW, THEREFORE, in consideration of the mutual and dependent covenants
88 herein contained, it is hereby mutually agreed by the parties hereto as follows:

89 DEFINITIONS

90 1. When used herein unless otherwise distinctly expressed, or manifestly
91 incompatible with the intent hereof, the term:

92 (a) "Calendar Year" shall mean the period January 1 through December 31,
93 both dates inclusive;

94 (b) "Charges" shall mean the payments in addition to the Rates determined
95 annually by the Contracting Officer, required by the Federal Reclamation law, including Section
96 3407 of the CVPIA;

97 (c) "Contractor's Boundaries" shall mean the area to which the Contractor is
98 permitted to provide Project Water under this interim renewal contract;

99 (d) "CVPIA" shall mean the Central Valley Project Improvement Act, Title
100 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

- 101 (e) "Delivered Water" shall mean Project Water made available to the
102 Contractor and diverted at the point(s) of delivery approved by the Contracting Officer;
- 103 (f) "Eligible Lands" shall mean all lands to which Irrigation Water may be
104 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
105 (96 Stat. 1263), as amended, hereinafter referred to as RRA;
- 106 (g) "Excess Lands" shall mean all lands defined as excess in Section 204 of
107 the RRA, other than those lands exempt from acreage limitation under Federal Reclamation law;
- 108 (h) "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)
109 or 202(3) of the RRA, whichever is applicable;
- 110 (i) "Ineligible Lands" shall mean all lands to which Irrigation Water may not
111 be delivered in accordance with Section 204 of the RRA;
- 112 (j) "Irrigation Water" shall mean Project Water which is used
113 primarily in the production of agricultural crops or livestock, including domestic use
114 incidental thereto, and watering of livestock;
- 115 (k) "Landholder" shall mean an individual or entity attributed with the total
116 irrigable acreage of one or more tracts of land situated in one or more districts owned and/or
117 operated under a lease which is served with Irrigation Water pursuant to a contract with the
118 United States;
- 119 (l) Omitted
- 120 (m) "O&M" shall mean normal and reasonable care, control, operation, repair,
121 replacement, and maintenance of Project facilities;
- 122 (n) "Operating Non-Federal Entity" shall mean a Non-Federal entity which
123 has the obligation to operate and maintain all or a portion of the Delta-Division facilities

124 pursuant to an agreement with the United States;

125 (o) "Project" shall mean the Central Valley Project owned by the United
126 States and operated by the Department of the Interior, Bureau of Reclamation;

127 (p) "Project Water" shall mean all water that is developed, diverted, stored, or
128 delivered by the United States in accordance with the statutes authorizing the Project and in
129 accordance with the terms and conditions of applicable water rights permits and licenses acquired
130 by and/or issued to the United States pursuant to California law;

131 (q) "Schedule 2 Water" shall mean that water as so defined under Contract No.
132 14-06-200-7859-A with the United States, which will continue to be delivered and administered
133 under said contract.

134 (r) "Rates" shall mean the payments determined annually by the Contracting
135 Officer in accordance with the then current applicable water ratesetting policies for the Project;

136 (s) "Secretary" or "Contracting Officer" shall mean the Secretary of the
137 United States Department of the Interior or his duly authorized representative:

138 (t) "Year" shall mean the period from and including March 1 of each
139 Calendar Year through the last day of February of the following Calendar Year.

140 TERM OF CONTRACT - RIGHT TO USE OF WATER

141 2. (a) This interim renewal contract shall be effective from December 24, 2003,
142 and shall remain in effect through February 29, 2004, and thereafter will be renewed as described
143 in this article. Except as provided in subdivision (b) of this Article, until completion of all
144 appropriate environmental review, and provided that the Contractor has complied with all the
145 terms and conditions of this interim renewal contract in effect for the period immediately
146 preceding any requested successive interim renewal contract, this interim renewal contract will

147 be renewed, upon request of the Contractor, for successive interim renewal periods each of which
148 shall be 12 months, but no more than two (2) Years in length. Also, except as provided in
149 subdivision (b) of this Article, in order to promote orderly and cost effective contract
150 administration, the terms and conditions in subsequent interim renewal contracts shall be
151 identical to the terms and conditions in the interim renewal contract immediately preceding the
152 subsequent interim renewal contract: Provided, however, That each party preserves the right to
153 propose modification(s) in any interim renewal contract other than those described in subdivision
154 (b) of this Article, in which case the parties shall negotiate in good faith appropriate
155 modification(s) to be included in any successive interim renewal contracts. Said modification(s)
156 of each successive interim renewal contract shall be agreed upon within a reasonable time prior
157 to the expiration of the then existing interim renewal contract. Nothing in this Article shall in
158 any way alter the obligation that, upon final completion of the PEIS and any necessary
159 supplemental environmental documentation, the Secretary shall, pursuant to Federal Reclamation
160 law, upon request of the Contractor, enter into a long-term renewal contract for a period of (25)
161 Years and may thereafter renew such long-term renewal contracts for successive periods not to
162 exceed (25) Years each. The Contractor asserts that Contract No. 14-06-200-7859-A and
163 existing law go beyond the preceding sentence to give it enforceable rights to successive long-
164 term renewal contracts. The Contracting Officer disagrees with that assertion. The parties agree
165 that this interim renewal contract preserves the rights and positions of the parties and that the
166 omission of language in this interim renewal contract setting out the rights asserted by the
167 Contractor to successive renewals is not intended to be, nor shall it be interpreted as, a waiver of
168 any such rights to the extent any such rights are later determined to exist by a court of competent
169 jurisdiction or by mutual agreement of the parties. If a court of competent jurisdiction or the

170 parties by mutual agreement determine that incorporation of such language in this interim
171 renewal contract is necessary to preserve such rights, the interim renewal contract shall be
172 construed as incorporating such language as though fully set forth herein as of the effective date
173 hereof.

174 (b) The parties anticipate that they will engage in good faith negotiations
175 intended to permit the execution of a (25) Year long-term renewal contract contemplated by
176 Section 3404 (c) of the CVPIA, hereinafter referred to as a ~~A~~long-term renewal contract~~@~~, by the
177 end of the term hereof. The parties recognize the possibility that this schedule may not be met.
178 Accordingly:

179 (1) In the event (i) the Contractor and Contracting Officer have
180 reached agreement on the terms of the Contractor's long-term renewal contract or (ii) the
181 Contractor and Contracting Officer have not completed the negotiations on the Contractor's
182 long-term renewal contract, believe that further negotiations on that contract would be beneficial,
183 and mutually commit to continue to negotiate to seek to reach agreement, but (iii) all
184 environmental documentation required to allow execution of the Contractor's long-term renewal
185 contract by both parties has not been completed in time to allow execution of the Contractor's
186 long-term renewal contract by February 29, 2004, then (iv) the parties will expeditiously
187 complete the environmental documentation required of each of them in order to execute the
188 Contractor's long-term renewal contract at the earliest practicable date. In addition, the
189 Contractor's then current interim renewal contract will be renewed without change upon the
190 request of either party through the agreed-upon effective date of the Contractor's long-term
191 renewal contract or, in the absence of agreement on the terms of the Contractor's long-term
192 renewal contract, through the succeeding February 28.

193 (2) Provided that this interim renewal contract is not subject to
194 renewal under the terms described in subdivision (1) of this Article, if a party determines that the
195 parties have reached an impasse which they have been unable to resolve and which precludes
196 agreement on the long-term renewal contract, that party may notify the other that it has concluded
197 that there is no reasonable likelihood of reaching agreement on the terms of a long-term renewal
198 contract prior to February 29, 2004. In the event of such notice, the parties will immediately
199 agree to a schedule and process for negotiating the terms (other than any terms that would impair
200 continuity of water supply or continuity of contract) of and executing interim renewal contract;
201 provided that neither party will propose for inclusion in the interim renewal contract any
202 provision not previously included in an existing interim renewal contract which it had previously
203 proposed for inclusion in the long-term renewal contract and which was the subject of an impasse
204 in the long-term renewal contract negotiations. The schedule will provide for completion of the
205 negotiations of the terms of that contract by February 1, 2004, and for execution of the contract
206 on or about February 29, 2004. The parties each acknowledge the right of either party to seek
207 judicial relief in connection with any impasse reached in connection with negotiation of the long-
208 term renewal contract and/or an interim renewal contract that would become effective on or after
209 February 29, 2004.

210 (c) The omission of language in this interim renewal contract providing for
211 conversion of this interim renewal contract or any subsequent renewals thereof to a repayment
212 contract, pursuant to the Act of July 2, 1956 (70 Stat. 483), shall not prejudice the Contractor's
213 right to assert a right to have such language included in subsequent renewals of this interim
214 renewal contract or to exercise such conversion, all as provided by law, or to negotiate the
215 language regarding such conversion to be included in subsequent renewal contracts.

216 (d) This is contract when effective supersedes that portion of Contract No. 14-
217 06-200-7859-A, dated August 20, 1974, pertaining to the furnishing of Project Water.

218 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

219 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and
220 consistent with applicable State water rights, permits and licenses, the Contractor is entitled to,
221 and the Contracting Officer shall be obligated to make available to the Contractor up to 2,080
222 acre-feet of Project Water for irrigation during the term of this interim renewal contract. The
223 quantity of Project Water delivered to the Contractor in accordance with this Article 3(a) in any
224 Year shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 hereof, and
225 shall not exceed the quantity of Project Water the Contractor intends to put to reasonable
226 beneficial use within the Contractor's Boundaries or sold, transferred, or exchanged pursuant to
227 Article 9 during the term of this interim renewal contract.

228 (b) The Contractor shall utilize the Project Water made available to it pursuant
229 to this interim renewal contract in accordance with all applicable requirements of any Biological
230 Opinion addressing the execution of this interim renewal contract developed pursuant to Section
231 7 of the Endangered Species Act of 1973 as amended, and in accordance with environmental
232 documentation as may be required for specific activities, including conversion of Irrigation Water
233 to municipal and industrial Water.

234 (c) The Contractor shall make reasonable and beneficial use of Project Water
235 or other water furnished pursuant to this interim renewal contract. In addition, use of Project
236 Water in a ground water recharge program shall be permitted under this contract to the extent
237 that it is carried out in accordance with California law; Provided, however, that such ground
238 water recharge program cannot be undertaken unless and until the Contractor submits a ground

239 water management plan pursuant to California law that demonstrates that such ground water
240 recharge program will result in a reasonable and beneficial use of such water.

241 (d) If the Contracting Officer determines that Project Water, or other water
242 available to the Project, can be made available to the Contractor in addition to the quantity of
243 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
244 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any
245 quantity of such water, the Contracting Officer shall make such water available to the Contractor
246 in accordance with applicable statutes, regulations, guidelines, and policies.

247 (e) If the Contractor requests permission to reschedule for use during the
248 subsequent Year some or all of the Project Water made available to the Contractor during the
249 current Year or to use, during the current Year, that quantity of Project Water the United States
250 has agreed to make available to the Contractor during the subsequent Year, the Contracting
251 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and
252 policies.

253 (f) The Contractor's right pursuant to Federal Reclamation law and applicable
254 State law to the beneficial use of water furnished pursuant to this interim renewal contract, any
255 subsequent interim renewal contract and, as described in Article 2(a), any long-term renewal
256 contract, shall not be disturbed so long as the Contractor shall fulfill all of its obligations under
257 this interim renewal contract and any such renewal thereof. Nothing in the preceding sentence
258 shall affect the Contracting Officer's ability to impose shortages under subdivision (b) of Article
259 12 of this interim renewal contract and the applicable provisions of any such renewal thereof.

260 (g) Notwithstanding subdivisions (j) and (l) of Article 1, Project Water
261 furnished to the Contractor pursuant to this interim renewal contract may be delivered for

262 purposes other than those described in subdivisions (j) and (l) of Article 1 upon written approval
263 by the Contracting Officer in accordance with the terms and conditions of such approval.

264 TIME FOR DELIVERY OF WATER

265 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer
266 shall declare the amount of Project Water estimated to be made available to the Contractor
267 pursuant to this interim renewal contract for the upcoming Year. The declaration will be updated
268 monthly, as necessary, based on current hydrologic conditions. The Contracting Officer shall
269 make available the forecast of Project operations, with relevant supporting information, upon the
270 written request of the Contractor or its representatives. Upon written request of the Contractor,
271 the Contracting Officer shall provide the basis of the estimate which shall include, but not be
272 limited to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of
273 Project reservoirs, projected CVPIA impacts, projected Endangered Species Act, and all other
274 regulatory impacts.

275 (b) On or before each March 1, the Contractor shall submit to the Contracting
276 Officer and at such other times as necessary, a written schedule, satisfactory to the Contracting
277 Officer, showing the times, and quantities of Project Water to be delivered by the United States
278 to the Contractor during the upcoming Year pursuant to this interim renewal contract, and,
279 consistent with subdivision (a) of Article 3 herein.

280 (c) Subject to the conditions set forth in subdivision (a) of Article 3, the
281 United States shall deliver Project Water to the Contractor in accordance with the initial schedule
282 submitted by the Contractor pursuant to subdivision (b) of this Article, or any revision(s) thereto
283 submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to
284 be implemented.

285 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

286 5. (a) The Project Water to be furnished to the Contractor pursuant to this
287 interim renewal contract shall be made available to the Contractor as identified in Exhibit B and
288 any additional point or points of delivery either on Project facilities or another location or
289 locations mutually agreed to in writing by the Contracting Officer and the Contractor.

290 (b) The Contracting Officer shall make all reasonable efforts to maintain
291 sufficient flows and levels of water in the Delta-Mendota Canal to furnish Project Water to the
292 Contractor at the turnout(s) established as a delivery point(s) pursuant to (a) of this Article.

293 (c) Irrigation Water furnished to the Contractor pursuant to this interim
294 renewal contract shall be delivered by the Contractor in accordance with any applicable land
295 classification provisions of Federal Reclamation law and the associated regulations. Project
296 Water shall not be delivered to land outside the Contractor's Boundaries unless approved in
297 advance by the Contracting Officer.

298 (d) All Project Water delivered to the Contractor pursuant to this interim
299 renewal contract shall be measured and recorded with equipment furnished, installed, operated,
300 and maintained by the United States or the responsible Operating Non-Federal Entity at the point
301 or points of delivery established pursuant to subdivision (a) of this Article. Upon the request of
302 either party to this interim renewal contract, the Contracting Officer shall investigate the accuracy
303 of such measurements and shall take any necessary steps to adjust any errors appearing therein.
304 The Contractor shall advise the Contracting Officer on or before the 10th calendar day of each
305 month of the quantity of Irrigation Water taken during the preceding month.

306 (e) Neither the United States nor any Operating Non-Federal Entity shall be
307 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water

308 made available to the Contractor pursuant to this interim renewal contract beyond the delivery
309 points specified in subdivision (a) of this Article. The Contractor shall indemnify the United
310 States its officers, employees, agents, and assigns on account of damage or claim of damage of
311 any nature whatsoever for which there is legal responsibility, including property damage,
312 personal injury, or death arising out of or connected with the control, carriage, handling, use,
313 disposal, or distribution of such Project Water beyond such delivery points, except for any
314 damage or claim arising out of (i) acts performed by the United States or any of its officers,
315 employees, agents, or assigns, including any responsible Operating Non-Federal Entity, with the
316 intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the
317 United States or any of its officers, employees, agents, or assigns, including any responsible
318 Operating Non-Federal Entity, or (iii) negligence of the United States or any of its officers,
319 employees, agents, or assigns including any responsible Operating Non-Federal Entity.

320 MEASUREMENT OF WATER WITHIN THE DISTRICT

321 6. (a) The Contractor shall ensure that, unless the Contractor has established an
322 alternative measurement program satisfactory to the Contracting Officer, all surface water
323 delivered for irrigation purposes within the Contractor's Boundaries is measured at each
324 agricultural turnout. All water measuring devices or water measuring methods of comparable
325 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible
326 for installing, operating, and maintaining and repairing all such measuring devices and
327 implementing all such water measuring methods at no cost to the United States. The Contractor
328 shall use the information obtained from such water measuring devices or water measuring
329 methods to ensure proper management of the water; to bill water users for water delivered by the
330 Contractor; and, if applicable. Nothing herein contained, however, shall preclude the Contractor

331 from establishing and collecting any charges, assessments, or other revenues authorized by
332 California law. The Contractor shall include a summary of its annual surface water deliveries in
333 the annual report described in subdivision (d) of Article 25.

334 (b) Omitted.

335 (c) All new surface water delivery systems installed within the Contractor's
336 Boundaries after the effective date of this interim renewal contract shall also comply with the
337 measurement provisions described in subdivision (a) of this Article.

338 (d) The Contractor shall inform the Contracting Officer and the State of
339 California in writing by April 30 of each Year of the monthly volume of surface water delivered
340 within the Contractor's Boundaries during the previous Year.

341 RATES AND METHOD OF PAYMENT FOR WATER

342 7. (a) The Contractor shall pay the United States in monthly payments as
343 provided in this Article for the quantities of Delivered Water furnished to the Contractor pursuant
344 to this interim renewal contract. Such payments shall consist of the applicable Rates and
345 Charges determined annually in accordance with applicable Federal law and associated
346 regulations. The Rates and Charges applicable upon execution of this interim renewal contract
347 are set forth in Exhibit "A."

348 (b) The Contracting Officer shall notify the Contractor of the Rates and
349 Charges as follows:

350 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
351 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
352 the period October 1 of the current Calendar Year, through September 30, of the following
353 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such

354 calculations. On or before September 15 of each Calendar Year, the Contracting Officer shall
355 notify the Contractor in writing of the Charges to be in effect during the period October 1 of the
356 current Calendar Year, through September 30 of the following Calendar Year, and such
357 notification shall revise Exhibit "A."

358 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
359 shall make available to the Contractor an estimate of the Rates of payment for the following Year
360 and the computations and cost allocations upon which those Rates are based. The Contractor
361 shall be allowed not less than two months to review and comment on such computations and cost
362 allocations. By December 31, of each Calendar Year, the Contracting Officer shall provide the
363 Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall
364 revise Exhibit "A."

365 (c) At the time the Contractor submits the initial schedule for the delivery of
366 Project Water for each Year pursuant to subdivision (b) of Article 4 of this interim renewal
367 contract, the Contractor shall pay the United States the total amount payable pursuant to the
368 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this interim
369 renewal contract during the first two (2) calendar months of the Year. Before the end of the first
370 month or part thereof of the Year, and before the end of each calendar month thereafter, the
371 Contractor shall pay pursuant to the applicable Rate(s) for all Project Water scheduled to be
372 delivered pursuant to this interim renewal contract during the second month immediately
373 following. Adjustments between the payments for the scheduled amount of Project Water and
374 the appropriate payments for quantities of Delivered Water furnished pursuant to this interim
375 renewal contract each month shall be made before the end of the following month: Provided,
376 That any revised schedule submitted by the Contractor pursuant to Article 4 which increases the

377 amount of Project Water to be delivered pursuant to this interim renewal contract during any
378 month shall be accompanied with appropriate payment for Rates to assure that Project Water is
379 not furnished to the Contractor in advance of such payment. In any month in which the quantity
380 of Delivered Water furnished to the Contractor pursuant to this interim renewal contract equals
381 the quantity of Project Water scheduled and paid for by the Contractor, no additional Project
382 Water shall be made available to the Contractor unless and until payment of Rates for such
383 additional Project Water is made. Final adjustment between the payments of Rates for the
384 Project Water scheduled and the quantities of Delivered Water furnished during each Year
385 pursuant to its contract shall be made as soon as possible but no later than April 30th of the
386 following Year.

387 (d) The Contractor shall pay all Charges owing for Delivered Water before the
388 end of the month following the month of delivery. Such amounts shall be consistent with the
389 quantities of Irrigation Water shown in the United States' water delivery report for the subject
390 month. The water delivery report shall be regarded by the Contractor as a bill for the payment of
391 appropriate Charges. Any monthly adjustment for overpayment or underpayment of Charges
392 shall be accomplished through the adjustment of Charges due to the United States in the next
393 month. By March 31, of each Year, the Contractor shall make any additional payment of
394 Charges it is obligated to make for Delivered Water furnished to the Contractor pursuant to its
395 contract for the previous Year. The amount to be paid for past due payment of Charges shall be
396 computed pursuant to Article 19 of this interim renewal contract.

397 (e) The Contractor shall pay for any Project Water provided under subdivision
398 (d) or (e) of Article 3 as determined by the Contracting Officer pursuant to applicable statutes,
399 regulations, guidelines, and policies.

400 (f) Payments to be made by the Contractor to the United States under this
401 interim renewal contract may be paid from any revenues available to the Contractor.

402 (g) Revenues received by the United States pursuant to this interim renewal
403 contract shall be allocated and applied in accordance with Federal Reclamation law, including
404 but not limited to, subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and
405 subsection (f) of Section 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of
406 Section 3407 of the CVPIA, and the associated regulations, including but not limited to, the
407 Project Irrigation Water ratesetting policy promulgated pursuant to the Administrative
408 Procedures Act.

409 (h) At the Contractor's request, the Contracting Officer shall provide to the
410 Contractor an accounting of all of the expenses allocated and the disposition of all revenues
411 received pursuant to this interim renewal contract in sufficient detail to allow the Contractor to
412 determine that the allocation of expenses and disposition of all revenues received was
413 accomplished in conformance with Federal Reclamation law and the associated regulations. The
414 Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any
415 discrepancies or disputes arising out of said accounting of the Contractor's review thereof.

416 (i) The parties acknowledge and agree that the efficient administration of this
417 interim renewal contract is their mutual goal. Recognizing that experience has demonstrated that
418 mechanisms, policies, and procedures used for establishing Rates and Charges, and/or for making
419 and allocating payments, other than those set forth in this Article would be in the mutual best
420 interest of the parties, it is expressly agreed that the parties may enter into agreements for
421 alternative mechanisms, policies, and procedures for any of those purposes while this interim
422 renewal contract is in effect without amending this contract.

423 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

424 8. The Contractor and the Contracting Officer concur that at the time of execution of
425 this interim renewal contract, the Contractor has no non-interest bearing operation and
426 maintenance deficits and shall have no further liability therefor.

427 TRANSFERS OR EXCHANGES OF WATER

428 9. The right to Project Water provided for in this interim renewal contract may be
429 sold, transferred, or exchanged to others for beneficial uses within the State of California if such
430 sale, transfer or exchange is authorized by applicable Federal laws, State laws, and applicable
431 guidelines or regulations then in effect. The right to sell, transfer, or exchange Project Water
432 shall include, and the Contracting Officer shall apply this Article in a manner that does not
433 impede or restrict, lawful short-term sales, transfers, or exchanges of the type the Contractor
434 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-
435 7859-A. No sale, transfer, or exchange of the right to Project Water under this interim renewal
436 contract may take place without the prior written approval of the Contracting Officer.

437 APPLICATION OF PAYMENTS AND ADJUSTMENTS

438 10. (a) The amount of any overpayment by the Contractor shall be applied first to
439 any accrued indebtedness arising out of this interim renewal contract then due and payable by the
440 Contractor. Any amount of such overpayment then remaining shall, at the option of the
441 Contractor, be refunded to the Contractor or credited upon amounts to become due to the United
442 States from the Contractor under the provisions hereof in the following months. With respect to
443 overpayment, such adjustment shall constitute the sole remedy of the Contractor or anyone
444 having or claiming to have the right to the use of any of the water supply provided for herein.

445 (b) All advances for miscellaneous costs incurred for work requested by the

446 Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has
447 been completed. If the advances exceed the actual costs incurred, the difference will be refunded
448 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
449 billed for the additional costs pursuant to Article 24.

450 TEMPORARY REDUCTIONS--RETURN FLOWS

451 11. (a) Subject to: (i) the authorized purposes and priorities of the Project; and (ii)
452 the obligations of the United States under existing contracts, or renewals thereof, providing for
453 water deliveries from the Project, the Contracting Officer shall make all reasonable efforts to
454 optimize Project Water deliveries to the Contractor as provided in the contract.

455 (b) The United States may temporarily discontinue or reduce the quantity of
456 Project Water to be delivered to the Contractor as herein provided for the purposes of
457 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or
458 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as
459 feasible the Contracting Officer will give the Contractor due notice in advance of such temporary
460 discontinuance or reduction, except in case of emergency, in which case no notice need be given:
461 Provided, That the United States shall use its best efforts to avoid any discontinuance or
462 reduction in such service. Upon resumption of service after such reduction or discontinuance,
463 and if requested by the Contractor, the United States will, if possible, deliver the quantity of
464 Project Water, which would have been delivered hereunder in the absence of such discontinuance
465 or reduction: Provided further, That with respect to any quantity of Project Water not delivered
466 after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment
467 obligations for such quantity of Project Water.

468 (c) The United States reserves the right to all seepage and return flow water

469 derived from water delivered to the Contractor hereunder which escapes or is discharged beyond
470 the Contractor's Boundaries: Provided, That this shall not be construed as claiming for the
471 United States any right to seepage or return flow being put to reasonable and beneficial use
472 pursuant to this interim renewal contract within the Contractor's Boundaries by the Contractor or
473 those claiming by, through, or under the Contractor.

474 WATER SHORTAGE AND APPORTIONMENT

475 12. (a) In its operation of the Project, the Contracting Officer will use all
476 reasonable means to guard against a condition of shortage in the quantity of water to be made
477 available to the Contractor pursuant to this contract. Insofar as determined by the Contracting
478 Officer to be practicable, the Contracting Officer will, in the event a shortage appears probable,
479 notify the Contractor of such determinations as soon as possible.

480 (b) If there is a reduction in the total water supply available to the Contractor
481 during any Year because of errors in physical operations of the Project, drought, other physical
482 causes beyond the control of the Contracting Officer or actions taken by the Contracting Officer
483 to meet legal obligations, no liability shall accrue against the United States or any of its officers,
484 agents, or employees for any damage, direct or indirect, arising therefrom, so long as actions
485 based upon the opinions or determinations of the Contracting Officer are consistent with the
486 standards in Article 18.

487 (c) In any Year in which there may occur a shortage for any of the reasons
488 specified in subdivision (b) above, the Contracting Officer shall apportion the available Project
489 Water supply among the Contractor and others entitled, under existing contracts and future
490 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of
491 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the

492 contractual obligations of the United States.

493 (d) Subject to subdivisions (c) of this Article, in any Year in which there may
494 occur a shortage for any of the reasons specified in subdivision (b) above, the Contracting Officer
495 shall apportion the available Project Water among the Contractor and others entitled to receive
496 Project Water from the Delta-Mendota Canal as follows:

497 (1) A determination shall be made of the total quantity of water
498 scheduled to be delivered during the respective Year under all contracts then in force for the
499 delivery of water from the Delta-Mendota Canal, the quantity so determined being herein referred
500 to as the contractual commitments from the Delta-Mendota Canal.

501 (2) The total quantity of water scheduled to be delivered to the
502 Contractor from the Delta-Mendota Canal during the respective Year under subdivision (a) of
503 Article 3 shall be divided by the contractual commitments, the quotient thus obtained being
504 herein referred to as the Contractor's contractual entitlement from the Delta-Mendota Canal.

505 (3) The supply determined by the Contracting Officer to be available
506 from the Delta-Mendota Canal shall be multiplied by the Contractor's contractual entitlement and
507 the result shall be the quantity of water required to be delivered by the United States to the
508 Contractor for the respective Year from the Delta-Mendota Canal.

509 UNAVOIDABLE GROUND-WATER PERCOLATION

510 13. The Contractor shall not be deemed to have furnished Irrigation Water to Excess
511 Lands or Ineligible Lands within the meaning of this interim renewal contract if such lands are
512 irrigated with ground water that reaches the underground strata as an unavoidable result of the
513 furnishing of Irrigation Water by the Contractor to Eligible Lands.

514 COMPLIANCE WITH FEDERAL RECLAMATION LAW

515 14. The parties agree that the delivery of Irrigation Water or use of Federal facilities
516 pursuant to this Contract is subject to Federal reclamation law, including but not limited to, the
517 Reclamation Reform Act of 1982 (43 U.S.C.390aa et seq.), as amended and supplemented, and
518 the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation
519 law.

520 WATER AND AIR POLLUTION CONTROL

521 15. The Contractor, in carrying out this contract, shall comply with all applicable
522 water and air pollution laws and regulations of the United States and the State of California, and
523 shall obtain all required permits or licenses from the appropriate Federal, State, or local
524 authorities.

525 QUALITY OF WATER

526 16. (a) Project facilities used to make available and deliver Project Water to the
527 Contractor pursuant to this interim renewal contract shall be operated and maintained to enable
528 the United States to make available and deliver Project Water to the Contractor in accordance
529 with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50
530 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050), or other
531 existing Federal laws. The United States is under no obligation to construct or furnish water
532 treatment facilities to maintain or to better the quality of Project Water furnished to the
533 Contractor pursuant to this contract. The United States does not warrant the quality of Project
534 Water made available and delivered to the Contractor pursuant to this contract.

535 (b) The operation and maintenance of Project facilities shall be performed in
536 such manner as is practicable to maintain the quality of raw water made available through such
537 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
538 Contractor shall be responsible for compliance with all State and Federal water quality standards
539 applicable to surface and subsurface agricultural drainage discharges generated through the use of
540 Federal or Contractor facilities or Project Water provided by the Contractor within the
541 Contractor's Boundaries. This Article shall not affect or alter any legal obligations of the
542 Contractor's Boundaries. This Article shall not affect or alter any legal obligations of the
543 Contractor's Boundaries. This Article shall not affect or alter any legal obligations of the

544 Secretary to provide drainage services.

545 (c) The quality of water furnished under this contract shall be the best that the United
546 States, following its established operating procedures, can deliver by means of the Delta-
547 Mendota Canal and shall be at all times suitable Irrigation Water for use upon the lands served by
548 the District. The fact that the requirements of such water quality are herein stated only in terms
549 of parts per million of total dissolved solids should not be construed as meaning that this
550 particular measurement of water quality is the sole indication of requisite water quality. The best
551 data presently available on the character of the possible sources of water supplying the Delta-
552 Mendota Canal indicate that as concentration changes there will be no significant changes in the
553 character of the water with respect to the proportions of the various constituents; however, if
554 such water meets the following specific requirements it shall be deemed conclusively to be
555 suitable Irrigation Water hereunder;

556 (i) Daily: The quality of water shall not exceed a mean daily value of
557 eight hundred (800) parts per million of total dissolved solids. The mean daily values are to be
558 computed by weighting the instantaneous values on the basis of time of occurrence during each
559 day;

560 (ii) Monthly: The quality of water shall not exceed a mean monthly
561 value of six hundred (600) parts per million of total dissolved solids. The mean monthly value is
562 to be computed by weighting each mean daily value of total dissolved solids on the basis of the
563 quantity of water delivered each day of the month;

564 (iii) Annual: The quality of water shall not exceed a mean annual value
565 during the year of four hundred and fifty (450) parts per million of total dissolved solids. The
566 mean annual value is to be computed by weighting each mean daily value of total dissolved

567 solids on the basis of quantity of water delivered each day of the year; and

568 (iv) Five-year: The average quality of water for any five (5) consecutive
569 years shall not exceed a mean value of four hundred (400) parts per million of total dissolved
570 solids. The 5-year average shall be computed by weighting each mean daily value of total
571 dissolved solids on the basis of quantity of water delivered each day of the five (5) consecutive
572 years ending with the current year.

573 (d) The quality of water delivered from the San Joaquin River shall be determined at
574 the present location of the Whitehouse gaging station, and from the Delta-Mendota Canal shall
575 be measured by a salinity recorder as presently installed in said Canal. The quality determination
576 made at said gaging station and the rating of said recorder shall be from bottle samples taken
577 twice each month from which total dissolved solids will be determined by chemical analysis.
578 When water is being delivered from the Delta-Mendota Canal and from the San Joaquin River
579 simultaneously, the quality of all water so delivered shall be determined by computing the
580 weighted average quality of all water so delivered. All quality determinations shall be made by
581 the Contracting Officer.

582 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
583 FROM THE UNITED STATES
584

585 17. Water or water rights now owned or hereafter acquired by the Contractor other
586 than from the United States and Irrigation Water furnished pursuant to the terms of this interim
587 renewal contract may be simultaneously transported through the same distribution facilities of the
588 Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water
589 and non-Project water were constructed without funds made available pursuant to Federal
590 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the

591 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive
592 Irrigation Water must be established through the certification requirements as specified in the
593 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
594 Eligible Lands within the Contractor's Boundaries can be established and the quantity of
595 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such
596 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
597 Project water are constructed with funds made available pursuant to Federal Reclamation law,
598 the non-Project water will be subject to Federal Reclamation law, until such funds have been
599 repaid.

600 OPINIONS AND DETERMINATIONS

601 18. (a) Where the terms of this interim renewal contract provide for actions to be
602 based upon the opinion or determination of either party to this contract, said terms shall not be
603 construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable
604 opinions or determinations. Both parties, notwithstanding any other provisions of this contract,
605 expressly reserve the right to seek relief from and appropriate adjustment, including monetary
606 damages, for any such arbitrary, capricious, or unreasonable opinion or determination. Each
607 opinion or determination by either party shall be provided in a timely manner.

608 (b) The Contracting Officer shall have the right to make determinations
609 necessary to administer this interim renewal contract that are consistent with the expressed and
610 implied provisions of this contract, the laws of the United States and the State of California, and
611 the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall
612 be made in consultation with the Contractor to the extent reasonably practicable.

613 CHARGES FOR DELINQUENT PAYMENTS

614 19. (a) The Contractor shall be subject to interest, administrative, and penalty
615 charges on delinquent installments or payments. When a payment is not received by the due
616 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond
617 the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an
618 administrative charge to cover additional costs of billing and processing the delinquent payment.
619 When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty
620 charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further,
621 the Contractor shall pay any fees incurred for debt collection services associated with a
622 delinquent payment.

623
624 (b) The interest charge rate shall be the greater of the rate prescribed quarterly in the
625 Federal Register by the Department of the Treasury for application to overdue payments, or the
626 interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project Act of
627 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and
628 remain fixed for the duration of the delinquent period.

629
630 (c) When a partial payment on a delinquent account is received, the amount
631 shall be applied, first to the penalty, second to the administrative charges, third to the accrued
632 interest, and finally to the overdue payment.

633
634

EQUAL OPPORTUNITY

635
636

20. During the performance of this contract, the Contractor agrees as follows:

637
638

(1) The Contractor will not discriminate against any employee or applicant for
639 employment because of race, color, religion, sex, or national origin. The Contractor will take
640 affirmative action to ensure that applicants are employed, and that employees are treated during
641 employment, without regard to their race, color, religion, sex, or national origin. Such action
642 shall include, but not be limited to, the following: Employment, upgrading, demotion, or
643 transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other
644 forms of compensation; and selection for training, including apprenticeship. The Contractor
645 agrees to post in conspicuous places, available to employees and applicants for employment,
646 notices to be provided by the Contracting Officer setting forth the provisions of this
647 nondiscrimination clause.

648
649

(2) The Contractor will, in all solicitations or advertisements for employees
650 placed by or on behalf of the Contractor, state that all qualified applicants will receive
651 consideration for employment without discrimination because of race, color, religion, sex, or
652 national origin.

653
654

(3) The Contractor will send to each labor union or representative of workers
655 with which it has a collective bargaining agreement or other contract or understanding, a notice,
656 to be provided by the Contracting Officer, advising the said labor union or workers'
657 representative of the Contractor's commitments under Section 202 of Executive Order 11246 of
658 September 24, 1965, and shall post copies of the notice in conspicuous places available to

659 employees and applicants for employment.

660

661 (4) The Contractor will comply with all provisions of Executive Order No.
662 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of
663 the Secretary of Labor.

664

665 (5) The Contractor will furnish all information and reports required by said
666 amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or
667 pursuant thereto, and will permit access to its books, records, and accounts by the Contracting
668 Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with
669 such rules, regulations, and orders.

670

671 (6) In the event of the Contractor's noncompliance with the nondiscrimination
672 clauses of this contract or with any of the said rules, regulations, or orders, this contract may be
673 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared
674 ineligible for further Government contracts in accordance with procedures authorized in said
675 amended Executive Order, and such other sanctions may be imposed and remedies invoked as
676 provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as
677 otherwise provided by law.

678

679 (7) The Contractor will include the provisions of paragraphs (1) through (7) in
680 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
681 Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such
682 provisions will be binding upon each subcontractor or vendor. The Contractor will take such
683 action with respect to any subcontract or purchase order as may be directed by the Secretary of
684 Labor as a means of enforcing such provisions, including sanctions for noncompliance:
685 Provided, however, That in the event the Contractor becomes involved in, or is threatened with,
686 litigation with a subcontractor or vendor as a result of such direction, the Contractor may request
687 the United States to enter into such litigation to protect the interests of the United States.

688

689 GENERAL OBLIGATION--BENEFITS

690 CONDITIONED UPON PAYMENT

691

692 21. (a) The obligation of the Contractor to pay the United States as provided in
693 this contract is a general obligation of the Contractor notwithstanding the manner in which the
694 obligation may be distributed among the Contractor's water users and notwithstanding the default
695 of individual water users in their obligations to the Contractor.

696

697 (b) The payment of charges becoming due hereunder is a condition precedent
698 to receiving benefits under this contract. The United States shall not make water available to the
699 Contractor through project facilities during any period in which the Contractor may be in arrears
700 in the advance payment of water rates due the United States. The Contractor shall not furnish
701 water made available pursuant to this contract for lands or parties which are in arrears in the
702 advance payment of water rates levied or established by the Contractor.

703

704 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

705
706 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
707 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
708 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights
709 laws, as well as with their respective implementing regulations and guidelines imposed by the
710 U.S. Department of the Interior and/or Bureau of Reclamation.

711
712 (b) These statutes require that no person in the United States shall, on the
713 grounds of race, color, national origin, handicap, or age, be excluded from participation in, be
714 denied the benefits of, or be otherwise subjected to discrimination under any program or activity
715 receiving financial assistance from the Bureau of Reclamation. By executing this contract, the
716 Contractor agrees to immediately take any measures necessary to implement this obligation,
717 including permitting officials of the United States to inspect premises, programs, and documents.

718
719 (c) The Contractor makes this agreement in consideration of and for the
720 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
721 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
722 Reclamation, including installment payments after such date on account of arrangements for
723 Federal financial assistance which were approved before such date. The Contractor recognizes
724 and agrees that such Federal assistance will be extended in reliance on the representations and
725 agreements made in this Article, and that the United States reserves the right to seek judicial
726 enforcement thereof.

727
728 PRIVACY ACT COMPLIANCE

729
730 23. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a)
731 (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et
732 seq.) in maintaining landholder acreage certification and reporting records, required to be
733 submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation
734 Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.10.

735
736 (b) With respect to the application and administration of the criminal penalty
737 provisions of the Act (5 U.S.C. 552a(I)), the Contractor and the Contractor's employees
738 responsible for maintaining the certification and reporting records referenced in (a) above are
739 considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

740
741 (c) The Contracting Officer or a designated representative shall provide the
742 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau
743 of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--
744 Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of
745 information contained in the landholder's certification and reporting records.

746
747 (d) The Contracting Officer shall designate a full-time employee of the Bureau
748 of Reclamation to be the System Manager who shall be responsible for making decisions on

749 denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The
750 Contractor is authorized to grant requests by individuals for access to their own records.

751
752 (e) The Contractor shall forward promptly to the System Manager each
753 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed
754 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System
755 Manager with information and records necessary to prepare an appropriate response to the
756 requester. These requirements do not apply to individuals seeking access to their own
757 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.10, unless the
758 requester elects to cite the Privacy Act as a basis for the request.

759
760 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

761
762 24. In addition to all other payments to be made by the Contractor pursuant to this
763 contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill
764 and detailed statement submitted by the Contracting Officer to the Contractor for such specific
765 items of direct cost incurred by the United States for work requested by the Contractor associated
766 with this interim renewal contract plus a percentage of such direct costs for administrative and
767 general overhead in accordance with applicable Bureau of Reclamation policy and procedures.
768 All such amounts referred to in this Article shall not exceed the amount agreed to in writing in
769 advance by the Contractor. This Article shall not apply to costs for routine contract
770 administration.

771 WATER CONSERVATION

772 25. (a) Prior to the delivery of water provided from or conveyed through Federally
773 constructed or Federally financed facilities pursuant to this contract, the Contractor shall be
774 implementing an effective water conservation program based on the Contractor's water
775 conservation plan that has been determined by the Contracting Officer to meet the conservation
776 and efficiency criteria established under Federal law. The water conservation program shall
777 contain definite water conservation objectives, appropriate economically feasible water

778 conservation measures, and time schedules for meeting those objectives.

779 (b) Should the combined amount of Irrigation Water delivered pursuant to
780 subdivision (a) of Article 3 during the term of this interim renewal contract equal or exceed
781 2,000 irrigation acres, the Contractor shall implement the Best Management Practices identified
782 by and the time frames issued by the California Urban Water Conservation Council unless any
783 such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

784 (c) As part of the water conservation program, the Contractor shall develop
785 and be implementing a tiered block water pricing program that promotes conservation and the
786 efficient management of Project Water during the term of this contract. Such pricing program for
787 Project Water shall take into account all relevant circumstances, including without limitation,
788 water shortages imposed under this interim renewal contract and the availability and cost of the
789 Contractor's and individual water user's non-Project alternative sources of supply, including
790 ground water and other non-Project water supplies, so that the Contractor's pricing structure
791 provides incentives for conservation and the efficient management of overall water supply
792 available to water users served by the Contractor. Provided, That no such tiered block water
793 pricing program need be implemented by the Contractor if the Contracting Officer determines,
794 based on information provided by the Contractor, that (i) such a pricing structure will not result
795 in significant conservation of water available for use within the Contractor's service area,
796 including ground water or (ii) other pricing program, conservation or management measures are
797 more appropriate and/or will result in comparable or better conservation of the water supplies
798 available within the Contractor's boundaries. Provided further, If the Contractor fails to, or elects
799 not to, comply with this subdivision of Article 25, then any subsequent interim renewal contract
800 shall contain a tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of

801 the CVPIA.

802 (d) The Contractor shall submit to the Contracting Officer by
803 December 31, of each Calendar Year, an annual report on the status of its implementation of the
804 water conservation program.

805 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

806 26. Except as specifically provided in Article 17 of this contract, the provisions of this
807 interim renewal contract shall not be applicable to or affect water or water rights now owned or
808 hereafter acquired by the Contractor or any user of such water within the Contractor's Boundaries
809 from other than the United States by the Contractor. Any such water shall not be considered
810 Project Water under this contract. In addition, this interim renewal contract shall not be
811 construed as limiting or curtailing any rights which the Contractor or any water user within the
812 Contractor's Boundaries acquires or has available under any other contract pursuant to the
813 Federal Reclamation law.

814 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

815 27. (a) The responsibility for performing and, in some cases funding the operation
816 and/or maintenance (O&M) of all or any portion or portions of the Delta-Division facilities may
817 be transferred to an Operating-Non-Federal Entity by one or more separate agreements between
818 the United States and the Operating Non-Federal Entity. Any such agreements shall require the
819 Operating Non-Federal Entity to perform the O&M in compliance with the provisions of this
820 Contract and shall not interfere with the rights and obligations of the Contractor or the United
821 States hereunder.

822 (b) If so notified in writing by the Contracting Officer, the Contractor shall
823 pay directly to such Operating Non-Federal Entity in accordance with such notice, (1) that

824 portion of the Rate(s) to be paid the United States pursuant to this Contract which the
825 Contracting Officer determines is the Contractor's appropriate share of the costs of the O&M of
826 the Delta-Division facilities transferred to the Operating Non-Federal Entity for O&M; and (2)
827 all appropriate additional amounts charged or assessed by the Operating Non-Federal Entity for
828 the O&M of the Delta-Division facilities. Such direct payments to such Operating Non-Federal
829 Entity shall not relieve the Contractor of its obligation to pay directly to the United States its
830 allocated share of the remaining costs for the O&M of the Project.

831 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

832 28. The expenditure or advance of any money or the performance of any obligation of
833 the United States under this contract shall be contingent upon appropriation or allotment of
834 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
835 obligations under this contract. No liability shall accrue to the United States in case funds are not
836 appropriated or allotted.

837
838 BOOKS, RECORDS, AND REPORTS

839
840 29. The Contractor shall establish and maintain accounts and other books and records
841 pertaining to administration of the terms and conditions of this contract, including: the
842 Contractor's financial transactions, water supply data, and Project land and right-of-way
843 agreements; the water users' land-use (crop census), landownership, land-leasing and water use
844 data; and other matters that the Contracting Officer may require. Reports thereon shall be
845 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
846 Officer may require. Subject to applicable Federal laws and regulations, each party to this
847 contract shall have the right during office hours to examine and make copies of the other party's
848 books and records relating to matters covered by this contract.

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850 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

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852 30. (a) The provisions of this contract shall apply to and bind the successors and
853 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest
854 therein shall be valid until approved in writing by the Contracting Officer.

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856 (b) The assignment of any right or interest in this interim renewal contract by
857 either party shall not interfere with the rights or obligations of the other party to this interim
858 renewal contract absent the written concurrence of said other party.

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SEVERABILITY

31. In the event that a person or entity who is neither (i) a party to a Project interim renewal contract, nor (ii) a person or entity that receives Project Water from a party to a Project interim renewal contract, nor (iii) an association or other form of organization whose primary function is to represent parties to Project interim renewal contracts, brings an action in a court of competent jurisdiction challenging the legality or enforceability of a provision included in this interim renewal contract and said person, entity, association, or organization obtains a final court decision holding that such provision is legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s), the parties to this interim renewal contract shall use their best efforts to (i) within thirty (30) days of the date of such final court decision identify by mutual agreement the provisions in this interim renewal contract which must be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time periods specified above may be extended by mutual agreement of the parties. Pending the completion of the actions designated above, to the extent it can do so without violating any applicable provisions of law, the United States shall continue to make the quantities of Project Water specified in this interim renewal contract available to the Contractor pursuant to the provisions of this interim renewal contract, which were not found to be legally invalid or unenforceable in the final court decision.

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OFFICIALS NOT TO BENEFIT

32. No Member of or Delegate to Congress, Resident Commissioner, or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

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CHANGES IN CONTRACTOR'S BOUNDARIES

33. While this contract is in effect, no change may be made in the Contractor's

885 boundaries, by inclusion or exclusion of lands, dissolution, consolidation, merger or otherwise,
886 except upon the Contracting Officer's written consent.

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NOTICES

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890 34. Any notice, demand, or request authorized or required by this contract shall be
891 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
892 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA
893 97321-1813, and on behalf of the United States, when mailed, postage prepaid, or delivered to
894 the Board of Directors of the Mr. Joe Coehlo, Sr., Coehlo Family Trust, 5494 West Mount
895 Whitney Avenue, Riverdale, California 93656. The designation of the addressee or the address
896 may be changed by notice given in the same manner as provided in this Article for other notices.

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898 IN WITNESS WHEREOF, the parties hereto have executed this interim renewal
899 contract as of the day and year first above written.

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901

THE UNITED STATES OF AMERICA

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By: _____

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Regional Director, Mid-Pacific Region

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Bureau of Reclamation

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909 (SEAL)

COELHO FAMILY TRUST

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By: _____

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Trustee

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915 Attest:

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Secretary

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