

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

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
TRANQUILLITY PUBLIC UTILITY DISTRICT
PROVIDING FOR PROJECT WATER SERVICE

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Irrigation
R.O. Draft 5/23/03
R.O. Draft 06/20/03
R.O. Draft 09/19/03
Contract No.
14-06-200-3537-A -IR1

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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 TRANQUILLITY PUBLIC
UTILITY DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of
California, duly organized, existing, and acting pursuant to the laws thereof, with its principal
place of business in Tranquillity, 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

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

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

41 WHEREAS, the United States entered into Contract No.14-06-200-3537-A, with
42 Melvin D. Hughes and Mardella Hughes which provided for Central Valley Project water from
43 the Delta-Mendota Canal from October 11, 1967, to December 23, 2003 (Existing Contract)
44 which established the terms for the delivery of (a) 93 acre-feet of Schedule 2 water as a
45 permanent adjustment and settlement of the asserted claims of rights to water in Fresno Slough
46 tributary to the San Joaquin River in fulfillment of such rights and (b) 70 acre feet of
47 supplemental water, hereinafter referred to as Project Water;

48 WHEREAS, by individual Grant Deeds recorded on August 6, 1980 and
49 November 12, 1987 the Contractor acquired the land under the Existing Contract; and

50 WHEREAS, the Existing Contract provides that the rights and obligations of said
51 contract may be transferred in connection with the transfer or title to the land or any portion
52 thereof, as described in the above referenced grant deeds; and

53 WHEREAS, by entering into the agreement with the United States, entitled
54 “Assumption of Contract and Consent thereto, **dated** ____; the Contractor assumed the Existing
55 Contract; and

56 WHEREAS, Schedule 2 water is not the subject of this interim renewal contract
57 and will continued to be delivered under the same terms and conditions of the Existing Contract;
58 and

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

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

70 WHEREAS, The Contracting Officer has determined that the Contractor has the
71 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable
72 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
73 interim renewal contract; and

74 WHEREAS, rights of renewal of Contract No. 14-06-200-3537-A and to convert
75 said contract to a contract as provided by subsection (d), Section 9 of the Act of August 4, 1939
76 (53 Stat. 1187), are set forth in said contract; and

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

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

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

83 DEFINITIONS

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

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

88 (b) "Charges" shall mean the payments in addition to the Rates determined
89 annually by the Contracting Officer, required by the Federal Reclamation law, including Section
90 3407 of the CVPIA;

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

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

95 (e) "Delivered Water" shall mean Project Water made available to the
96 Contractor and diverted at the point(s) of delivery approved by the Contracting Officer;

97 (f) "Eligible Lands" shall mean all lands to which Irrigation Water may be
98 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
99 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

100 (g) "Excess Lands" shall mean all lands defined as excess in Section 204 of
101 the RRA, other than those lands exempt from acreage limitation under Federal Reclamation law;

102 (h) "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)
103 or 202(3) of the RRA, whichever is applicable;

104 (i) "Ineligible Lands" shall mean all lands to which Irrigation Water may not
105 be delivered in accordance with Section 204 of the RRA;

106 (j) "Irrigation Water" shall mean Project Water which is used
107 primarily in the production of agricultural crops or livestock, including domestic use
108 incidental thereto, and watering of livestock;

109 (k) "Landholder" shall mean an individual or entity attributed with the total
110 irrigable acreage of one or more tracts of land situated in one or more districts owned and/or
111 operated under a lease which is served with Irrigation Water pursuant to a contract with the
112 United States;

113 (l) Omitted

114 (m) "O&M" shall mean normal and reasonable care, control, operation, repair,
115 replacement, and maintenance of Project facilities;

116 (n) "Operating Non-Federal Entity" shall mean a Non-Federal entity which
117 has the obligation to operate and maintain all or a portion of the Delta-Division facilities
118 pursuant to an agreement with the United States;

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

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

125 (q) "Schedule 2 Water" shall mean that water as so defined under Contract
126 No. 14-06-20- 3537-A with the United States, which will continue to be delivered and
127 administered under said contract.

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

130 (s) "Secretary" or "Contracting Officer" shall mean the Secretary of the
131 United States Department of the Interior or his duly authorized representative;

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

134 TERM OF CONTRACT - RIGHT TO USE OF WATER

135 2. (a) This interim renewal contract shall be effective from December 24, 2003,
136 and shall remain in effect through February 29, 2004, and thereafter will be renewed as described
137 in this article. Except as provided in subdivision (b) of this Article, until completion of all
138 appropriate environmental review, and provided that the Contractor has complied with all the
139 terms and conditions of this interim renewal contract in effect for the period immediately
140 preceding any requested successive interim renewal contract, this interim renewal contract will
141 be renewed, upon request of the Contractor, for successive interim periods each of which shall be
142 12 months, but no more than two (2) Years in length. Also, except as provided in subdivision (b)
143 of this Article, in order to promote orderly and cost effective contract administration, the terms
144 and conditions in subsequent interim renewal contracts shall be identical to the terms and
145 conditions in the interim renewal contract immediately preceding the subsequent interim renewal
146 contract: Provided, however, That each party preserves the right to propose modification(s) in
147 any interim renewal contract other than those described in subdivision (b) of this Article, in

148 which case the parties shall negotiate in good faith appropriate modification(s) to be included in
149 any successive interim renewal contracts. Said modification(s) of each successive interim
150 renewal contract shall be agreed upon within a reasonable time prior to the expiration of the then
151 existing interim renewal contract. Nothing in this Article shall in any way alter the obligation
152 that, upon final completion of the PEIS and any necessary supplemental environmental
153 documentation, the Secretary shall, pursuant to Federal Reclamation law, upon request of the
154 Contractor, enter into a long-term renewal contract for a period of (25) Years and may thereafter
155 renew such long-term renewal contracts for successive periods not to exceed (25) Years each.
156 The Contractor asserts that Contract No. 14-06-200-3537-A and existing law go beyond the
157 preceding sentence to give it enforceable rights to successive long-term renewal contracts. The
158 Contracting Officer disagrees with that assertion. The parties agree that this interim renewal
159 contract preserves the rights and positions of the parties and that the omission of language in this
160 interim renewal contract setting out the rights asserted by the Contractor to successive renewals
161 is not intended to be, nor shall it be interpreted as, a waiver of any such rights to the extent any
162 such rights are later determined to exist by a court of competent jurisdiction or by mutual
163 agreement of the parties. If a court of competent jurisdiction or the parties by mutual agreement
164 determine that incorporation of such language in this interim renewal contract is necessary to
165 preserve such rights, the interim renewal contract shall be construed as incorporating such
166 language as though fully set forth herein as of the effective date hereof.

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

171 Accordingly:

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

186 (2) Provided that this interim renewal contract is not subject to
187 renewal under the terms described in subdivision (1) of this Article, if a party determines that the
188 parties have reached an impasse which they have been unable to resolve and which precludes
189 agreement on the long-term renewal contract, that party may notify the other that it has
190 concluded that there is no reasonable likelihood of reaching agreement on the terms of a
191 long-term renewal contract prior to February 29, 2004. In the event of such notice, the parties
192 will immediately agree to a schedule and process for negotiating the terms (other than any terms
193 that would impair continuity of water supply or continuity of contract) of and executing interim

194 renewal contract; provided that neither party will propose for inclusion in the interim renewal
195 contract any provision not previously included in an existing interim renewal contract which it
196 had previously proposed for inclusion in the long-term renewal contract and which was the
197 subject of an impasse in the long-term renewal contract negotiations. The schedule will provide
198 for completion of the negotiations of the terms of that contract by February 1, 2004, and for
199 execution of the contract on or about February 29, 2004. The parties each acknowledge the right
200 of either party to seek judicial relief in connection with any impasse reached in connection with
201 negotiation of the long-term renewal contract and/or an interim renewal contract that would
202 become effective on or after February 29, 2004.

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

209 (d) This contract when effective supersedes that portion of Contract No. 14-
210 06-200-3537-A, dated October 11, 1967, pertaining to the furnishing of Project Water.

211 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

212 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and
213 consistent with applicable State water rights, permits and licenses, the Contractor is entitled to,
214 and the Contracting Officer shall be obligated to make available to the Contractor up to 70 acre-
215 feet of Project Water for irrigation during the term of this interim renewal contract. The quantity
216 of Project Water delivered to the Contractor in accordance with this Article 3(a) in any Year

217 shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 hereof, and shall
218 not exceed the quantity of Project Water the Contractor intends to put to reasonable beneficial
219 use within the Contractor's Boundaries or sold, transferred, or exchanged pursuant to Article 9
220 during the term of this interim renewal contract.

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

227 (c) The Contractor shall make reasonable and beneficial use of Project Water
228 or other water furnished pursuant to this interim renewal contract. In addition, use of Project
229 Water in a ground water recharge program shall be permitted under this contract to the extent
230 that it is carried out in accordance with California law; Provided, however, that such ground
231 water recharge program cannot be undertaken unless and until the Contractor submits a ground
232 water management plan pursuant to California law that demonstrates that such ground water
233 recharge program will result in a reasonable and beneficial use of such water.

234 (d) If the Contracting Officer determines that Project Water, or other water
235 available to the Project, can be made available to the Contractor in addition to the quantity of
236 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
237 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any
238 quantity of such water, the Contracting Officer shall make such water available to the Contractor
239 in accordance with applicable statutes, regulations, guidelines, and policies.

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

246 (f) The Contractor's right pursuant to Federal Reclamation law and applicable
247 State law to the beneficial use of water furnished pursuant to this interim renewal contract, any
248 subsequent interim renewal contract and, as described in Article 2(a), any long-term renewal
249 contract, shall not be disturbed so long as the Contractor shall fulfill all of its obligations under
250 this interim renewal contract and any such renewal thereof. Nothing in the preceding sentence
251 shall affect the Contracting Officer's ability to impose shortages under subdivision (b) of Article
252 12 of this interim renewal contract and the applicable provisions of any such renewal thereof.

253 (g) Notwithstanding subdivisions (j) and (l) of Article 1, Project Water
254 furnished to the Contractor pursuant to this interim renewal contract may be delivered for
255 purposes other than those described in subdivisions (j) and (l) of Article 1 upon written approval
256 by the Contracting Officer in accordance with the terms and conditions of such approval.

257 TIME FOR DELIVERY OF WATER

258 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer
259 shall declare the amount of Project Water estimated to be made available to the Contractor
260 pursuant to this interim renewal contract for the upcoming Year. The declaration will be updated
261 monthly, as necessary, based on current hydrologic conditions. The Contracting Officer shall
262 make available the forecast of Project operations, with relevant supporting information, upon the

263 written request of the Contractor or its representatives. Upon written request of the Contractor,
264 the Contracting Officer shall provide the basis of the estimate which shall include, but not be
265 limited to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of
266 Project reservoirs, projected CVPIA impacts, projected Endangered Species Act, and all other
267 regulatory impacts.

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

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

278 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

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

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

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

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

299 (e) Neither the United States nor any Operating Non-Federal Entity shall be
300 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water
301 made available to the Contractor pursuant to this interim renewal contract beyond the delivery
302 points specified in subdivision (a) of this Article. The Contractor shall indemnify the United
303 States its officers, employees, agents, and assigns on account of damage or claim of damage of
304 any nature whatsoever for which there is legal responsibility, including property damage,
305 personal injury, or death arising out of or connected with the control, carriage, handling, use,
306 disposal, or distribution of such Project Water beyond such delivery points, except for any
307 damage or claim arising out of (i) acts performed by the United States or any of its officers,
308 employees, agents, or assigns, including any responsible Operating Non-Federal Entity, with the

309 intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the
310 United States or any of its officers, employees, agents, or assigns, including any responsible
311 Operating Non-Federal Entity, or (iii) negligence of the United States or any of its officers,
312 employees, agents, or assigns including any responsible Operating Non-Federal Entity.

313 MEASUREMENT OF WATER WITHIN THE DISTRICT

314 6. (a) The Contractor shall ensure that, unless the Contractor has established an
315 alternative measurement program satisfactory to the Contracting Officer, all surface water
316 delivered for irrigation purposes within the Contractor's Boundaries is measured at each
317 agricultural turnout. All water measuring devices or water measuring methods of comparable
318 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible
319 for installing, operating, and maintaining and repairing all such measuring devices and
320 implementing all such water measuring methods at no cost to the United States. The Contractor
321 shall use the information obtained from such water measuring devices or water measuring
322 methods to ensure proper management of the water; to bill water users for water delivered by the
323 Contractor; and, if applicable. Nothing herein contained, however, shall preclude the Contractor
324 from establishing and collecting any charges, assessments, or other revenues authorized by
325 California law. The Contractor shall include a summary of its annual surface water deliveries in
326 the annual report described in subdivision (d) of Article 25.

327 (b) Omitted.

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

331 (d) The Contractor shall inform the Contracting Officer and the State of

332 California in writing by April 30 of each Year of the monthly volume of surface water delivered
333 within the Contractor's Boundaries during the previous Year.

334 RATES AND METHOD OF PAYMENT FOR WATER

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

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

343 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
344 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
345 the period October 1 of the current Calendar Year, through September 30, of the following
346 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such
347 calculations. On or before September 15 of each Calendar Year, the Contracting Officer shall
348 notify the Contractor in writing of the Charges to be in effect during the period October 1 of the
349 current Calendar Year, through September 30 of the following Calendar Year, and such
350 notification shall revise Exhibit "A."

351 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
352 shall make available to the Contractor an estimate of the Rates of payment for the following Year
353 and the computations and cost allocations upon which those Rates are based. The Contractor
354 shall be allowed not less than two months to review and comment on such computations and cost

355 allocations. By December 31, of each Calendar Year, the Contracting Officer shall provide the
356 Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall
357 revise Exhibit "A."

358 (c) At the time the Contractor submits the initial schedule for the delivery of
359 Project Water for each Year pursuant to subdivision (b) of Article 4 of this interim renewal
360 contract, the Contractor shall pay the United States the total amount payable pursuant to the
361 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this interim
362 renewal contract during the first two (2) calendar months of the Year. Before the end of the first
363 month or part thereof of the Year, and before the end of each calendar month thereafter, the
364 Contractor shall pay pursuant to the applicable Rate(s) for all Project Water scheduled to be
365 delivered pursuant to this interim renewal contract during the second month immediately
366 following. Adjustments between the payments for the scheduled amount of Project Water and
367 the appropriate payments for quantities of Delivered Water furnished pursuant to this interim
368 renewal contract each month shall be made before the end of the following month: Provided,
369 That any revised schedule submitted by the Contractor pursuant to Article 4 which increases the
370 amount of Project Water to be delivered pursuant to this interim renewal contract during any
371 month shall be accompanied with appropriate payment for Rates to assure that Project Water is
372 not furnished to the Contractor in advance of such payment. In any month in which the quantity
373 of Delivered Water furnished to the Contractor pursuant to this interim renewal contract equals
374 the quantity of Project Water scheduled and paid for by the Contractor, no additional Project
375 Water shall be made available to the Contractor unless and until payment of Rates for such
376 additional Project Water is made. Final adjustment between the payments of Rates for the
377 Project Water scheduled and the quantities of Delivered Water furnished during each Year

378 pursuant to its contract shall be made as soon as possible but no later than April 30th of the
379 following Year.

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

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

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

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

401 Procedures Act.

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

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

416 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

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

420 TRANSFERS OR EXCHANGES OF WATER

421 9. The right to Project Water provided for in this interim renewal contract may be
422 sold, transferred, or exchanged to others for beneficial uses within the State of California if such
423 sale, transfer or exchange is authorized by applicable Federal laws, State laws, and applicable

424 guidelines or regulations then in effect. The right to sell, transfer, or exchange Project Water
425 shall include, and the Contracting Officer shall apply this Article in a manner that does not
426 impede or restrict, lawful short-term sales, transfers, or exchanges of the type the Contractor
427 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-
428 3537-A. No sale, transfer, or exchange of the right to Project Water under this interim renewal
429 contract may take place without the prior written approval of the Contracting Officer.

430 APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

438 (b) All advances for miscellaneous costs incurred for work requested by the
439 Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has
440 been completed. If the advances exceed the actual costs incurred, the difference will be refunded
441 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
442 billed for the additional costs pursuant to Article 24.

443 TEMPORARY REDUCTIONS--RETURN FLOWS

444 11. (a) Subject to: (i) the authorized purposes and priorities of the Project; and (ii)
445 the obligations of the United States under existing contracts, or renewals thereof, providing for
446 water deliveries from the Project, the Contracting Officer shall make all reasonable efforts to

447 optimize Project Water deliveries to the Contractor as provided in the contract.

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

461 (c) The United States reserves the right to all seepage and return flow water
462 derived from water delivered to the Contractor hereunder which escapes or is discharged beyond
463 the Contractor's Boundaries: Provided, That this shall not be construed as claiming for the
464 United States any right to seepage or return flow being put to reasonable and beneficial use
465 pursuant to this interim renewal contract within the Contractor's Boundaries by the Contractor or
466 those claiming by, through, or under the Contractor.

467 WATER SHORTAGE AND APPORTIONMENT

468 12. (a) In its operation of the Project, the Contracting Officer will use all
469 reasonable means to guard against a condition of shortage in the quantity of water to be made

470 available to the Contractor pursuant to this contract. Insofar as determined by the Contracting
471 Officer to be practicable, the Contracting Officer will, in the event a shortage appears probable,
472 notify the Contractor of such determinations as soon as possible.

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

480 (c) In any Year in which there may occur a shortage for any of the reasons
481 specified in subdivision (b) above, the Contracting Officer shall apportion the available Project
482 Water supply among the Contractor and others entitled, under existing contracts and future
483 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of
484 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the
485 contractual obligations of the United States.

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

490 (1) A determination shall be made of the total quantity of water
491 scheduled to be delivered during the respective Year under all contracts then in force for the
492 delivery of water from the Delta-Mendota Canal, the quantity so determined being herein

493 referred to as the contractual commitments from the Delta-Mendota Canal.

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

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

502 UNAVOIDABLE GROUND-WATER PERCOLATION

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

507 COMPLIANCE WITH FEDERAL RECLAMATION LAW

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

513
514 WATER AND AIR POLLUTION CONTROL

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

519
520 QUALITY OF WATER

521
522 16. (a) Project facilities used to make available and deliver Project Water to the

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

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

539 (c) The quality of water furnished under this contract shall be the best that the
540 United States, following its established operating procedures, can deliver by means of the Delta-
541 Mendota Canal and shall be at all times suitable Irrigation Water for use upon the lands served
542 by the District. The fact that the requirements of such water quality are herein stated only in
543 terms of parts per million of total dissolved solids should not be construed as meaning that this
544 particular measurement of water quality is the sole indication of requisite water quality. The best
545 data presently available on the character of the possible sources of water supplying the Delta-

546 Mendota Canal indicate that as concentration changes there will be no significant changes in the
547 character of the water with respect to the proportions of the various constituents; however, if
548 such water meets the following specific requirements it shall be deemed conclusively to be
549 suitable Irrigation Water hereunder;

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

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

558 (iii) Annual: The quality of water shall not exceed a mean annual value
559 during the year of four hundred and fifty (450) parts per million of total dissolved solids. The
560 mean annual value is to be computed by weighting each mean daily value of total dissolved
561 solids on the basis of quantity of water delivered each day of the year; and

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

567 (d) The quality of water delivered from the San Joaquin River shall be
568 determined at the present location of the Whitehouse gaging station, and from the Delta-Mendota

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

576 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
577 FROM THE UNITED STATES
578

579 17. Water or water rights now owned or hereafter acquired by the Contractor other
580 than from the United States and Irrigation Water furnished pursuant to the terms of this interim
581 renewal contract may be simultaneously transported through the same distribution facilities of
582 the Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation
583 Water and non-Project water were constructed without funds made available pursuant to Federal
584 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the
585 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive
586 Irrigation Water must be established through the certification requirements as specified in the
587 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
588 Eligible Lands within the Contractor's Boundaries can be established and the quantity of
589 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such
590 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
591 Project water are constructed with funds made available pursuant to Federal Reclamation law,
592 the non-Project water will be subject to Federal Reclamation law, until such funds have been
593 repaid.

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OPINIONS AND DETERMINATIONS

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

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

CHARGES FOR DELINQUENT PAYMENTS

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

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

(c) When a partial payment on a delinquent account is received, the amount shall be applied, first to the penalty, second to the administrative charges, third to the accrued

626 interest, and finally to the overdue payment.

627

628

EQUAL OPPORTUNITY

629

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

631

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

642

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

647

648 (3) The Contractor will send to each labor union or representative of workers
649 with which it has a collective bargaining agreement or other contract or understanding, a notice,
650 to be provided by the Contracting Officer, advising the said labor union or workers'
651 representative of the Contractor's commitments under Section 202 of Executive Order 11246 of
652 September 24, 1965, and shall post copies of the notice in conspicuous places available to
653 employees and applicants for employment.

654

655 (4) The Contractor will comply with all provisions of Executive Order No.
656 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of
657 the Secretary of Labor.

658

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

664

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

672
673 (7) The Contractor will include the provisions of paragraphs (1) through (7) in
674 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
675 Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such
676 provisions will be binding upon each subcontractor or vendor. The Contractor will take such
677 action with respect to any subcontract or purchase order as may be directed by the Secretary of
678 Labor as a means of enforcing such provisions, including sanctions for noncompliance:
679 Provided, however, That in the event the Contractor becomes involved in, or is threatened with,
680 litigation with a subcontractor or vendor as a result of such direction, the Contractor may request
681 the United States to enter into such litigation to protect the interests of the United States.
682

683 GENERAL OBLIGATION--BENEFITS
684 CONDITIONED UPON PAYMENT
685

686 21. (a) The obligation of the Contractor to pay the United States as provided in
687 this contract is a general obligation of the Contractor notwithstanding the manner in which the
688 obligation may be distributed among the Contractor's water users and notwithstanding the default
689 of individual water users in their obligations to the Contractor.
690

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

698 COMPLIANCE WITH CIVIL RIGHTS LAWS
699 AND REGULATIONS
700

701 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
702 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
703 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights
704 laws, as well as with their respective implementing regulations and guidelines imposed by the
705 U.S. Department of the Interior and/or Bureau of Reclamation.
706

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

714 (c) The Contractor makes this agreement in consideration of and for the
715 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
716 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
717 Reclamation, including installment payments after such date on account of arrangements for

718 Federal financial assistance which were approved before such date. The Contractor recognizes
719 and agrees that such Federal assistance will be extended in reliance on the representations and
720 agreements made in this Article, and that the United States reserves the right to seek judicial
721 enforcement thereof.

722
723 PRIVACY ACT COMPLIANCE
724

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

730
731 (b) With respect to the application and administration of the criminal penalty
732 provisions of the Act (5 U.S.C. 552a(I)), the Contractor and the Contractor's employees
733 responsible for maintaining the certification and reporting records referenced in (a) above are
734 considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

735
736 (c) The Contracting Officer or a designated representative shall provide the
737 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau
738 of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--
739 Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of
740 information contained in the landholder's certification and reporting records.

741 (d) The Contracting Officer shall designate a full-time employee of the
742 Bureau of Reclamation to be the System Manager who shall be responsible for making decisions
743 on denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The
744 Contractor is authorized to grant requests by individuals for access to their own records.

745
746 (e) The Contractor shall forward promptly to the System Manager each
747 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed
748 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System
749 Manager with information and records necessary to prepare an appropriate response to the
750 requester. These requirements do not apply to individuals seeking access to their own
751 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.10, unless the
752 requester elects to cite the Privacy Act as a basis for the request.

753
754 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS
755

756 24. In addition to all other payments to be made by the Contractor pursuant to this
757 contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a
758 bill and detailed statement submitted by the Contracting Officer to the Contractor for such
759 specific items of direct cost incurred by the United States for work requested by the Contractor

760 associated with this interim renewal contract plus a percentage of such direct costs for
761 administrative and general overhead in accordance with applicable Bureau of Reclamation policy
762 and procedures. All such amounts referred to in this Article shall not exceed the amount agreed
763 to in writing in advance by the Contractor. This Article shall not apply to costs for routine
764 contract administration.

765 WATER CONSERVATION

766 25. (a) Prior to the delivery of water provided from or conveyed through
767 Federally constructed or Federally financed facilities pursuant to this contract, the Contractor
768 shall be implementing an effective water conservation program based on the Contractor's water
769 conservation plan that has been determined by the Contracting Officer to meet the conservation
770 and efficiency criteria established under Federal law. The water conservation program shall
771 contain definite water conservation objectives, appropriate economically feasible water
772 conservation measures, and time schedules for meeting those objectives.

773 (b) Should the combined amount of Irrigation Water delivered pursuant to
774 subdivision (a) of Article 3 during the term of this interim renewal contract equal or exceed
775 2,000 irrigated acres, the Contractor shall implement the Best Management Practices identified
776 by and the time frames issued by the California Urban Water Conservation Council unless any
777 such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

778 (c) As part of the water conservation program, the Contractor shall develop
779 and be implementing a tiered block water pricing program that promotes conservation and the
780 efficient management of Project Water during the term of this contract. Such pricing program
781 for Project Water shall take into account all relevant circumstances, including without limitation,
782 water shortages imposed under this interim renewal contract and the availability and cost of the

783 Contractor's and individual water user's non-Project alternative sources of supply, including
784 ground water and other non-Project water supplies, so that the Contractor's pricing structure
785 provides incentives for conservation and the efficient management of overall water supply
786 available to water users served by the Contractor. Provided, That no such tiered block water
787 pricing program need be implemented by the Contractor if the Contracting Officer determines,
788 based on information provided by the Contractor, that (i) such a pricing structure will not result
789 in significant conservation of water available for use within the Contractor's service area,
790 including ground water or (ii) other pricing program, conservation or management measures are
791 more appropriate and/or will result in comparable or better conservation of the water supplies
792 available within the Contractor's boundaries. Provided further, If the Contractor fails to, or elects
793 not to, comply with this subdivision of Article 25, then any subsequent interim renewal contract
794 shall contain a tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of
795 the CVPIA.

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

799 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

800 26. Except as specifically provided in Article 17 of this contract, the provisions of this
801 interim renewal contract shall not be applicable to or affect water or water rights now owned or
802 hereafter acquired by the Contractor or any user of such water within the Contractor's Boundaries
803 from other than the United States by the Contractor. Any such water shall not be considered
804 Project Water under this contract. In addition, this interim renewal contract shall not be
805 construed as limiting or curtailing any rights which the Contractor or any water user within the

806 Contractor's Boundaries acquires or has available under any other contract pursuant to the
807 Federal Reclamation law.

808 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

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

816 (b) If so notified in writing by the Contracting Officer, the Contractor shall
817 pay directly to such Operating Non-Federal Entity in accordance with such notice, (1) that
818 portion of the Rate(s) to be paid the United States pursuant to this Contract which the
819 Contracting Officer determines is the Contractor's appropriate share of the costs of the O&M of
820 the Delta-Division facilities transferred to the Operating Non-Federal Entity for O&M; and (2)
821 all appropriate additional amounts charged or assessed by the Operating Non-Federal Entity for
822 the O&M of the Delta-Division facilities. Such direct payments to such Operating Non-Federal
823 Entity shall not relieve the Contractor of its obligation to pay directly to the United States its
824 allocated share of the remaining costs for the O&M of the Project.

825 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

826 28. The expenditure or advance of any money or the performance of any obligation of
827 the United States under this contract shall be contingent upon appropriation or allotment of
828 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
829 obligations under this contract. No liability shall accrue to the United States in case funds are
830 not appropriated or allotted.
831

832 BOOKS, RECORDS, AND REPORTS

833
834 29. The Contractor shall establish and maintain accounts and other books and records
835 pertaining to administration of the terms and conditions of this contract, including: the
836 Contractor's financial transactions, water supply data, and Project land and right-of-way
837 agreements; the water users' land-use (crop census), landownership, land-leasing and water use
838 data; and other matters that the Contracting Officer may require. Reports thereon shall be
839 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
840 Officer may require. Subject to applicable Federal laws and regulations, each party to this
841 contract shall have the right during office hours to examine and make copies of the other party's
842 books and records relating to matters covered by this contract.

843
844 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

845
846 30. (a) The provisions of this contract shall apply to and bind the successors and
847 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest
848 therein shall be valid until approved in writing by the Contracting Officer.

849
850 (b) The assignment of any right or interest in this interim renewal contract by
851 either party shall not interfere with the rights or obligations of the other party to this interim
852 renewal contract absent the written concurrence of said other party.

853 SEVERABILITY

854 31. In the event that a person or entity who is neither (i) a party to a Project interim
855 renewal contract, nor (ii) a person or entity that receives Project Water from a party to a Project
856 interim renewal contract, nor (iii) an association or other form of organization whose primary
857 function is to represent parties to Project interim renewal contracts, brings an action in a court of
858 competent jurisdiction challenging the legality or enforceability of a provision included in this
859 interim renewal contract and said person, entity, association, or organization obtains a final court
860 decision holding that such provision is legally invalid or unenforceable and the Contractor has
861 not intervened in that lawsuit in support of the plaintiff(s), the parties to this interim renewal
862 contract shall use their best efforts to (i) within thirty (30) days of the date of such final court
863 decision identify by mutual agreement the provisions in this interim renewal contract which must

864 be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate
865 revision(s). The time periods specified above may be extended by mutual agreement of the
866 parties. Pending the completion of the actions designated above, to the extent it can do so
867 without violating any applicable provisions of law, the United States shall continue to make the
868 quantities of Project Water specified in this interim renewal contract available to the Contractor
869 pursuant to the provisions of this interim renewal contract, which were not found to be legally
870 invalid or unenforceable in the final court decision.

871 OFFICIALS NOT TO BENEFIT

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

875
876 CHANGES IN CONTRACTOR'S BOUNDARIES

877
878 33. While this contract is in effect, no change may be made in the Contractor's
879 boundaries, by inclusion or exclusion of lands, dissolution, consolidation, merger or otherwise,
880 except upon the Contracting Officer's written consent.

881
882 NOTICES

883
884 34. Any notice, demand, or request authorized or required by this contract shall be
885 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
886 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA
887 97321-1813, and on behalf of the United States, when mailed, postage prepaid, or delivered to
888 the Board of Directors of the Tranquillity Public Utility Water District, P.O. Box 689,
889 Tranquillity, CA 93668-0689. The designation of the addressee or the address may be changed
890 by notice given in the same manner as provided in this Article for other notices.
891

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

894

THE UNITED STATES OF AMERICA

896

897

898

By: _____

899

Regional Director, Mid-Pacific Region

900

Bureau of Reclamation

901

902

903 (SEAL)

TRANQUILLITY PUBLIC UTILITY DISTRICT

904

905

906

By: _____

907

President of the Board of Directors

908

909 Attest:

910

911

912

913

Secretary

914

915