

**T.O. Draft 02/07/2006**  
**T.O. Draft 10/14/2005**  
**R.O. Draft 3/25-2004**  
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**R.O. Draft 6/26-2003CVP Wide Form 5/23/03; 2/13/04; 3/18/04**

**Delta Division**  
**R.O. Delta Division 11/15-2000**

1 UNITED STATES  
2 DEPARTMENT OF THE INTERIOR  
3 BUREAU OF RECLAMATION  
4 Central Valley Project, California

5 LONG-TERM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
6 AND  
7 SAN BENITO COUNTY WATER DISTRICT  
8 PROVIDING FOR PROJECT WATER SERVICE AND REPAYMENT  
9 FROM THE DELTA DIVISION AND SAN FELIPE DIVISION  
10

11 THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 200\_ in pursuance  
12 generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto,  
13 including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and  
14 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat.  
15 483), June 21, 1963 (77 Stat. 68), August 27, 1967 (81 Stat. 173), October 12, 1982 (96 Stat. 1263),  
16 October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992  
17 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law, between THE  
18 UNITED STATES OF AMERICA, hereinafter referred to as the United States, and SAN BENITO  
19 COUNTY WATER DISTRICT, acting on behalf of Zone 6, hereinafter referred to as the Contractor,  
20 a public agency of the State of California, duly organized, existing, and acting pursuant to the laws  
21 thereof;

22 WITNESSETH, That:

23 EXPLANATORY RECITALS

24 [1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the Central Valley  
25 Project (Project), California, for diversion, storage, carriage, distribution and beneficial use, for flood  
26 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and  
27 restoration, generation and distribution of electric energy, salinity control, navigation and other  
28 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the  
29 San Joaquin River and their tributaries; and

30 [2<sup>nd</sup>] WHEREAS, the United States constructed the Delta Division Facilities, the San Felipe  
31 Division Facilities and related facilities, which will be used in part for the furnishing of water to the  
32 Contractor pursuant to the terms of this Contract; and

33 [2.1] WHEREAS, the Contractor is dependent upon San Luis Reservoir for the conveyance  
34 of Project Water from the Delta Division to the San Felipe Division Facilities; and

35 [3<sup>rd</sup>] WHEREAS, the rights to Project Water were acquired by the United States pursuant  
36 to California law for operation of the Project; and

37 [3.1] WHEREAS, the Contractor's groundwater basins have previously been overdrawn in  
38 the absence of a supply from the Project and the lands of the Contractor and its inhabitants are in  
39 need of continued Project Water for beneficial uses and purposes; and

40 [4<sup>th</sup>] WHEREAS, the Contractor and the United States entered into Contract No. 8-07-20-

41 W0130, dated April 15, 1978, which established terms for the delivery to the Contractor of Project  
42 Water from the Delta Division Facilities and San Felipe Division Facilities from June 1, 1987  
43 through February 29, 2028, and which was subsequently amended on February 28, 1992, and on  
44 [both amend dates required], (hereinafter referred to as “Existing Contract”); and

45 [5<sup>th</sup>] WHEREAS, the United States and the Contractor have, pursuant to Subsection 3404  
46 (c)(3) of the Central Valley Project Improvement Act (CVPIA), subsequently entered into a binding  
47 agreement, identified as Binding Agreement No. 8-07-20-W0130-BA which sets out the terms  
48 pursuant to which the Contractor agreed to renew the Existing Contract before its expiration date  
49 after completion of a programmatic environmental impact statement (PEIS) and other appropriate  
50 environmental documentation and negotiation of a renewal contract, and which also sets out the  
51 consequences of a subsequent decision not to renew; and

52 [6<sup>th</sup>] WHEREAS, Section 3404(c) of the CVPIA provides for long-term renewal of the  
53 Existing Contract following completion of appropriate environmental documentation, including a  
54 PEIS pursuant to the National Environmental Policy Act (NEPA) analyzing the direct and indirect  
55 impacts and benefits of implementing the CVPIA and the potential renewal of all existing contracts  
56 for Project Water; and

57 [7<sup>th</sup>] WHEREAS, the United States has completed the PEIS and all other appropriate  
58 environmental review necessary to provide for long-term renewal of the Existing Contract; and

59 [8<sup>th</sup>] WHEREAS, the Contractor has requested the long-term renewal of the Existing

60 Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and the laws of the  
61 State of California, for water service from the Project, and has further requested that the renewed  
62 contract be both a repayment contract with respect to the San Felipe Division Facilities (historically  
63 referred to as the “out-of-basin” facilities); and Water Service Contract with respect to the Project  
64 Facilities exclusive of the San Felipe Division Facilities (historically referred to as the “in-basin”  
65 facilities), and Reclamation is agreeable to such conversion; and

66 [9<sup>th</sup>] WHEREAS, the United States has determined that the Contractor has fulfilled all of  
67 its obligations under the Existing Contract; and

68 [10<sup>th</sup>] WHEREAS, the Contractor has demonstrated to the satisfaction of the Contracting  
69 Officer that the Contractor has utilized the Project Water supplies available to it for reasonable and  
70 beneficial use and/or has demonstrated projected future demand for water use such that the  
71 Contractor has the capability and expects to utilize fully for reasonable and beneficial use the quantity  
72 of Project Water to be made available to it pursuant to this Contract; and

73 [11<sup>th</sup>] WHEREAS, water obtained from the Project has been relied upon by urban and  
74 agricultural areas within California for more than 50 years, and is considered by the Contractor as an  
75 essential portion of its water supply; and

76 [12<sup>th</sup>] WHEREAS, the economies of regions within the Project, including the Contractor’s,  
77 depend upon the continued availability of water, including water service from the Project; and

78 [13<sup>th</sup>] WHEREAS, the Secretary intends through coordination, cooperation, and partnerships

79 to pursue measures to improve water supplies, water quality, and reliability of the Project for all

80 Project purposes; and

81 [14<sup>th</sup>] WHEREAS, the mutual goals of the United States and the Contractor include: to  
82 provide for reliable Project Water supplies; to control costs of those supplies; to achieve repayment of  
83 the Project as required by law; to guard reasonably against Project Water shortages; to achieve a  
84 reasonable balance among competing demands for use of Project Water; and to comply with all  
85 applicable environmental statutes, all consistent with the legal obligations of the United States  
86 relative to the Project; and

87 [15<sup>th</sup>] WHEREAS, the parties intend by this Contract to develop a more cooperative  
88 relationship in order to achieve their mutual goals; and

89 [15.1] WHEREAS, the Contractor has utilized or may utilize transfers, contract assignments,  
90 rescheduling and conveyance of non-Project Water under this Contract as tools to minimize the  
91 impacts of Conditions of Shortage and to maximize the beneficial use of Project Water; and

92 [15.2] WHEREAS, the parties desire and intend that this Contract not provide a disincentive  
93 to the Contractor in continuing to carry out the beneficial activities set out in the Explanatory Recital  
94 immediately above; and

95 [16<sup>th</sup>] WHEREAS, the United States and the Contractor are willing to enter into this  
96 Contract pursuant to Federal Reclamation law on the terms and conditions set forth below;

97 NOW, THEREFORE, in consideration of the mutual and dependent covenants herein

98 contained, it is hereby mutually agreed by the parties hereto as follows:

99 DEFINITIONS

100 1. When used herein unless otherwise distinctly expressed, or manifestly incompatible  
101 with the intent of the parties as expressed in this Contract, the term:

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

104 (b) "Charges" shall mean the payments required by Federal Reclamation law in  
105 addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually  
106 by the Contracting Officer pursuant to this Contract;

107 (c) "Condition of Shortage" shall mean a condition respecting the Project during  
108 any Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract  
109 Total;

110 (d) "Contracting Officer" shall mean the Secretary of the Interior's duly  
111 authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or  
112 regulation;

113 (e) "Contract Total" shall mean the maximum amount of water to which the  
114 Contractor is entitled under subdivision (a) of Article 3 of this Contract;

115 (f) "Contractor's Service Area" shall mean the area within the Contractor's  
116 boundaries to which the Contractor is permitted to provide Project Water under this Contract as

117 shown on Exhibit "A" attached hereto, which may be modified from time to time in accordance with  
118 Article 35 of this Contract without amendment of this Contract;

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

121 (g.1) "Delta Division Facilities" shall mean those existing and future Project  
122 facilities in and south of the Sacramento-San Joaquin Rivers Delta, including, but not limited to, the  
123 Tracy Pumping Plant, the O'Neill Forebay, the O'Neill Pumping/Generating Plant, and the San Luis  
124 Reservoir, used to divert, store and convey water to those Project Contractors entitled to receive  
125 water conveyed through the Delta-Mendota Canal.

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

129 (i) "Excess Lands" shall mean all lands in excess of the limitations contained in  
130 Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal  
131 Reclamation law;

132 (j) "Full Cost Rate" shall mean an annual rate, as determined by the Contracting  
133 Officer that shall amortize the expenditures for construction properly allocable to the Project  
134 irrigation or M&I functions, as appropriate, of facilities in service including all O&M deficits funded,  
135 less payments, over such periods as may be required under Federal Reclamation law, or applicable

136 contract provisions. Interest will accrue on both the construction expenditures and funded O&M  
137 deficits from October 12, 1982, on costs outstanding at that date, or from the date incurred in the case  
138 of costs arising subsequent to October 12, 1982, and shall be calculated in accordance with  
139 subsections 202(3)(B) and (3)(C) of the RRA. The Full Cost Rate includes actual operation,  
140 maintenance, and replacement costs consistent with Section 426.2 of the Rules and Regulations for  
141 the RRA;

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

144 (l) "Irrigation Full Cost Water Rate" shall mean the Full Cost Rate applicable to  
145 the delivery of Irrigation Water;

146 (m) "Irrigation Water" shall mean water made available from the Project that is  
147 used primarily in the production of agricultural crops or livestock, including domestic use incidental  
148 thereto, and watering of livestock;

149 (m.1) "Joint Service Area" shall mean the combination of the Contractor's Service  
150 Area and service areas of the other San Felipe Division contractors as shown on Exhibit "A" attached  
151 hereto, which may be modified by mutual agreement of the parties to this Contract without  
152 amendment of this Contract;

153 (n) "Landholder" shall mean a party that directly or indirectly owns or leases  
154 nonexempt land, as provided in 43 CFR 426.2;

155 (o) "Municipal and Industrial (M&I) Water" shall mean Project Water, other than  
156 Irrigation Water, made available to the Contractor. M&I Water shall include water used for human  
157 use and purposes such as the watering of landscaping or pasture for animals (e.g., horses) which are  
158 kept for personal enjoyment or water delivered to landholdings operated in units of less than five  
159 acres unless the Contractor establishes to the satisfaction of the Contracting Officer that the use of  
160 Water Delivered to any such landholding is a use described in subdivision (m) of this Article;

161 (p) "M&I Full Cost Water Rate" shall mean the Full Cost Rate applicable to the  
162 delivery of M&I Water;

163 (q) "Operation and Maintenance" or "O&M" shall mean normal and reasonable  
164 care, control, operation, repair, replacement (other than capital replacement), and maintenance of  
165 Project facilities;

166 (r) "Operating Non-Federal Entity" shall mean the Operating Non-Federal  
167 Entity(ies) and their successors or assigns, which have the obligation to operate and maintain all or a  
168 portion of the Project facilities including the San Felipe Division Facilities pursuant to written  
169 agreements with the United States. When this Contract was entered into, the Operating Non-Federal  
170 Entity(ies) were the San Luis & Delta-Mendota Water Authority with respect to the Delta Division  
171 Facilities, and Santa Clara Valley Water District with respect to certain San Felipe Division  
172 Facilities, and San Benito County Water District with respect to the San Benito Facilities ~~certain San~~  
173 ~~Felipe Division Facilities~~;

174 (s) "Project" shall mean the Central Valley Project owned by the United States  
175 and managed by the Department of the Interior, Bureau of Reclamation;

176 (t) "Project Contractors" shall mean all parties who have water service contracts  
177 for Project Water from the Project with the United States pursuant to Federal Reclamation law;

178 (u) "Project Water" shall mean all water that is developed, diverted, stored, or  
179 delivered by the Secretary in accordance with the statutes authorizing the Project and in accordance  
180 with the terms and conditions of water rights acquired pursuant to California law;

181 (v) "Rates" shall mean the payments determined annually by the Contracting  
182 Officer in accordance with the then current applicable water ratesetting policies for the Project, as  
183 described in subdivision (a) of Article 7 of this Contract;

184 (w) "Recent Historic Average" shall mean the most recent five year average of the  
185 final forecast of Water Made Available to the Contractor pursuant to this Contract or its preceding  
186 contract(s);

187 (w.1) "San Benito Facilities" shall mean San Felipe Division Facilities used to  
188 deliver water to the Contractor exclusively.

189 (w.2) "San Felipe Division Facilities" shall mean those existing and future Project  
190 facilities generally west of San Luis Reservoir, including but not limited to, the Pacheco Pumping  
191 Plant, Pacheco Substation, Pacheco Tunnel, including the inlet works in and under San Luis  
192 Reservoir, Pacheco Conduit, Pacheco Bifurcation Structure, Santa Clara Tunnel and Conduit, Coyote

193 Pumping Plant, Hollister Conduit, and San Justo Dam and Reservoir used to divert, store and convey  
194 water to Project;

195 (x) "Secretary" shall mean the Secretary of the Interior, a duly appointed  
196 successor, or an authorized representative acting pursuant to any authority of the Secretary and  
197 through any agency of the Department of the Interior;

198 (y) "Tiered Pricing Component" shall be the incremental amount to be paid for  
199 each acre-foot of Water Delivered as described in subdivision (j) of Article 7 of this Contract;

200 (z) "Water Delivered" or "Delivred Water" shall mean Project Water diverted for  
201 use by the Contractor at the point(s) of delivery approved by the Contracting Officer;

202 (aa) "Water Made Available" shall mean the estimated amount of Project Water  
203 that can be delivered to the Contractor for the upcoming Year as declared by the Contracting Officer,  
204 pursuant to subdivision (a) of Article 4 of this Contract;

205 (bb) "Water Scheduled" shall mean Project Water made available to the Contractor  
206 for which times and quantities for delivery have been established by the Contractor and Contracting  
207 Officer, pursuant to subdivision (b) of Article 4 of this Contract;

208 (cc) "Year" shall mean the period from and including March 1 of each Calendar  
209 Year through the last day of February of the following Calendar year; and

210 TERM OF CONTRACT

211 2. (a) (1) This Contract shall be effective March 1, 200\_ through February 28/29,

212 20\_\_\_, and supercedes the Existing Contract, except to the extent otherwise provided herein. In the  
213 event the Contract is declared invalid or unenforceable by a final decree of a court of competent  
214 jurisdiction, the Existing Contract shall be revived as though it had not been superseded or terminated  
215 by execution of this Contract.

216 (2) In the event the Contractor wishes to renew this Contract beyond  
217 February 28/29, 20\_\_\_, the Contractor shall submit a request for renewal in writing to the Contracting  
218 Officer no later than two (2) years prior to the date this Contract expires. The renewal of this  
219 Contract insofar as it pertains to the furnishing of Irrigation Water to the Contractor shall be governed  
220 by subdivision (b) of this Article, and the renewal of this Contract insofar as it pertains to the  
221 furnishing of M&I Water to the Contractor shall be governed by subdivision (c) of this Article.

222 (b) (1) Under terms and conditions of a renewal contract that are mutually  
223 agreeable to the parties hereto, and upon a determination by the Contracting Officer that at the time  
224 of contract renewal the conditions set forth in subdivision (b)(2) of this Article are met, and subject to  
225 Federal and State law, this Contract, insofar as it pertains to the furnishing of Irrigation Water to the  
226 Contractor, shall be renewed for a period of 25 years.

227 (2) The conditions which must be met for this Contract to be renewed are:  
228 (i) the Contractor has prepared a water conservation plan that has been determined by the Contracting  
229 Officer in accordance with Article 26 of this Contract to meet the conservation and efficiency criteria  
230 for evaluating such plans established under Federal law; (ii) the Contractor is implementing an

231 effective water conservation and efficiency program based on the Contractor's water conservation  
232 plan as required by Article 26 of this Contract; (iii) the Contractor is operating and maintaining all  
233 water measuring devices and implementing all water measurement methods as approved by the  
234 Contracting Officer pursuant to Article 6 of this Contract; (iv) the Contractor has reasonably and  
235 beneficially used the Project Water supplies made available to it and, based on projected demands, is  
236 reasonably anticipated and expects to fully utilize for reasonable and beneficial use the quantity of  
237 Project Water to be made available to it pursuant to such renewal; (v) the Contractor is complying  
238 with all terms and conditions of this Contract; and (vi) the Contractor has the physical and legal  
239 ability to deliver Project Water.

240 (3) The terms and conditions of the renewal contract described in  
241 subdivision (b)(1) of this Article and any subsequent renewal contracts shall be developed consistent  
242 with the parties' respective legal rights and obligations, and in consideration of all relevant facts and  
243 circumstances, as those circumstances exist at the time of renewal, including, without limitation, the  
244 Contractor's need for continued delivery of Project Water; environmental conditions affected by  
245 implementation of the Contract to be renewed, and specifically changes in those conditions that  
246 occurred during the life of the Contract to be renewed; the Secretary's progress toward achieving the  
247 purposes of the CVPIA as set out in Section 3402 and in implementing the specific provisions of the  
248 CVPIA; and current and anticipated economic circumstances of the region served by the Contractor.

249 (c) This Contract, insofar as it pertains to the furnishing of M&I Water to the

250 Contractor, shall be renewed for successive periods of up to forty 40 years each, which periods shall  
251 be consistent with the then-existing Reclamation-wide policy, under terms and conditions mutually  
252 agreeable to the parties and consistent with Federal and State law. The Contractor shall be afforded  
253 the opportunity to comment to the Contracting Officer on the proposed adoption and application of  
254 any revised policy applicable to the delivery of M&I Water that would limit the term of any  
255 subsequent renewal contract with the Contractor for the furnishing of M&I Water to less than 40  
256 years.

257 (d) The Contracting Officer shall make a determination ten years after the date of  
258 execution of this Contract, and every five years thereafter during the term of this Contract, of whether  
259 a conversion of the relevant portion of this Contract to a contract under subsection 9(d) of the  
260 Reclamation Project Act of 1939 can be accomplished pursuant to the Act of July 2, 1956 (70 Stat.  
261 483). The Contracting Officer shall also make a determination ten years after the date of execution of  
262 this Contract and every five years thereafter during the term of this Contract of whether a conversion  
263 of the relevant portion of this Contract to a contract under subsection 9 (c)(1) of the Reclamation  
264 Project Act of 1939 can be accomplished. Notwithstanding any provision of this Contract, the  
265 Contractor reserves and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat. 483).  
266 The Contracting Officer anticipates that during the term of this Contract, all authorized Project  
267 construction expected to occur will have occurred, and on that basis the Contracting Officer agrees  
268 upon such completion to allocate all costs that are properly assignable to the Contractor, and agrees

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**Delta Division**

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269 further that, at any time after such allocation is made, and subject to satisfaction of the condition set  
270 out in this subdivision, this Contract shall, at the request of the Contractor, be converted to a contract  
271 under subsection 9(d) or 9(c)(1), whichever is applicable of the Reclamation Project Act of 1939,  
272 subject to applicable Federal law and under stated terms and conditions mutually agreeable to the  
273 Contractor and the Contracting Officer. A condition for such conversion to occur shall be a  
274 determination by the Contracting Officer that, account being taken of the amount credited to return  
275 by the Contractor as provided for under Federal Reclamation law, the remaining amount of  
276 construction costs assignable for ultimate return by the Contractor can probably be repaid to the  
277 United States within the term of a contract under subsection 9(d) or 9(c)(1), whichever is applicable.  
278 If the remaining amount of costs that are properly assignable to the Contractor cannot be determined  
279 during the term of this Contract, the Contracting Officer shall notify the Contractor, and provide the  
280 reason(s) why such a determination could not be made. Further, the Contracting Officer shall make  
281 such a determination as soon thereafter as possible so as to permit, upon request of the Contractor and  
282 satisfaction of the conditions set out above, conversion to a contract under subsection 9(d) or 9(c)(1),  
283 whichever is applicable, of the Reclamation Project Act of 1939. In the event such determination of  
284 costs has not been made at a time which allows conversion of this Contract during the term of this  
285 Contract or the Contractor has not requested conversion of this Contract within such term, the parties  
286 shall incorporate in any subsequent renewal contract as described in subdivision (b) of this Article a  
287 provision that carries forth in substantially identical terms the provisions of this subdivision.

288 Provided, however, That with respect to the San Felipe Division Facilities, conversion to a contract  
289 under subsection 9(d) or 9(c)(1), whichever is applicable, of the Reclamation Project Act of 1939,  
290 may occur independently of the conversion provided for in this subdivision (d) of this Article.

291 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

292 3. (a) During each Year, consistent with all applicable State water rights, permits,  
293 and licenses; Federal law; and subject to the provisions set forth in Articles 11 and 12 of this  
294 Contract, the Contracting Officer shall make available for delivery to the Contractor 43,800 acre-feet  
295 of Project Water for irrigation and M&I purposes. Water Delivered to the Contractor in accordance  
296 with this subdivision shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of  
297 this Contract.

298 (b) Because the capacity of the Project to deliver Project Water has been  
299 constrained in recent years and may be constrained in the future due to many factors including  
300 hydrologic conditions and implementation of Federal and State laws, the likelihood of the Contractor  
301 actually receiving the amount of Project Water set out in subdivision (a) of this Article in any given  
302 Year is uncertain. The Contracting Officer's modeling referenced in the PEIS projected that the  
303 Contract Total set forth in this Contract will not be available to the Contractor in many years. During  
304 the most recent five years, the Recent Historic Average of Water Made Available to the Contractor  
305 was \_\_\_\_ acre-feet. Nothing in subdivision (b) of this Article shall affect the rights and obligations  
306 of the parties under any provision of this Contract.

307 (c) The Contractor shall utilize the Project Water in accordance with all applicable  
308 legal requirements.

309 (c.1) In the event any Project Contractor (other than a Cross Valley Contractor) that  
310 receives Project Water through the Delta Division Facilities obtains a contractual agreement that the  
311 Contracting Officer shall make Project Water available at a point or points of delivery in or north of  
312 the Delta, at the request of the Contractor and upon completion of any required environmental  
313 documentation, this Contract shall be amended to provide for deliveries in or north of the Delta on  
314 mutually agreeable terms. Such amendments to the Contract shall be limited solely to those changes  
315 made necessary by the addition to such alternate points of delivery in or north of the Delta; Provided,  
316 That the Contracting Officer's use of the Harvey O. Banks Pumping Plant to deliver Project Water  
317 does not trigger this right of amendment.

318 (d) The Contractor shall make reasonable and beneficial use of all water furnished  
319 pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu), groundwater  
320 banking programs, surface water storage programs, and other similar programs utilizing Project  
321 Water or other water furnished pursuant to this Contract conducted within the Joint Service Area  
322 which are consistent with applicable State law and result in use consistent with Federal Reclamation  
323 law will be allowed; Provided, That any direct recharge program(s) is (are) described in the  
324 Contractor's water conservation plan submitted pursuant to Article 26 of this Contract or the water  
325 conservation plan(s) or other contractor(s) within the Joint Service Area submitted pursuant to Article

326 26 of this Contract; Provided, further, That such water conservation plan demonstrates sufficient  
327 lawful uses exist in the Joint Service Area for the service area(s) of other contractor(s) within the  
328 Joint Service Area so that using a long-term average, the quantity of Delivered Water is  
329 demonstrated to be reasonable for such uses and in compliance with Federal Reclamation law.  
330 Groundwater recharge programs, groundwater banking programs, surface water storage programs,  
331 and other similar programs utilizing Project Water or other water furnished pursuant to this Contract  
332 conducted outside the Joint Service Area may be permitted upon written approval of the Contracting  
333 Officer, which approval will be based upon environmental documentation, Project Water rights, and  
334 Project operational concerns. The Contracting Officer will address such concerns in regulations,  
335 policies, or guidelines.

336 (e) The Contractor shall comply with requirements applicable to the Contractor in  
337 biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract  
338 undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA), as amended, that are  
339 within the Contractor's legal authority to implement. The Existing Contract, which evidences in  
340 excess of \_\_\_\_\_ years of diversions for irrigation and/or M&I purposes of the quantities of water  
341 provided in subdivision (a) of Article 3 of this Contract, will be considered in developing an  
342 appropriate baseline for biological assessment(s) prepared pursuant to the ESA, and any other needed  
343 environmental review. Nothing herein shall be construed to prevent the Contractor from challenging  
344 or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or

345 other environmental documentation referred to in this Article.

346 (f) Following the declaration of Water Made Available under Article 4 of this  
347 Contract, the Contracting Officer will make a determination whether Project Water, or other water  
348 available to the Project, can be made available to the Contractor in addition to the Contract Total  
349 under this Article during the Year without adversely impacting other Project Contractors. At the  
350 request of the Contractor, the Contracting Officer will consult with the Contractor prior to making  
351 such a determination. If the Contracting Officer determines that Project Water, or other water  
352 available to the Project, can be made available to the Contractor, the Contracting Officer will  
353 announce the availability of such water and shall so notify the Contractor as soon as practical. The  
354 Contracting Officer will thereafter meet with the Contractor and other Project Contractors capable of  
355 taking such water to determine the most equitable and efficient allocation of such water. If the  
356 Contractor requests the delivery of any quantity of such water, the Contracting Officer shall make  
357 such water available to the Contractor in accordance with applicable statutes, regulations, guidelines,  
358 and policies. Subject to existing long-term contractual commitments, water rights and operational  
359 constraints, long-term Project Contractors shall have a first right to acquire such water, including  
360 Project Water made available pursuant to Section 215 of the RRA.

361 (g) The Contractor may request permission to reschedule for use during the  
362 subsequent Year some or all of the Water Made Available to the Contractor during the current Year,  
363 referred to as “rescheduled water”. The Contractor may request permission to use during the current

364 Year a quantity of Project Water which may be made available by the United States to the Contractor  
365 during the subsequent Year referred to as “preuse.” The Contracting Officer’s written approval may  
366 permit such uses in accordance with applicable statutes, regulations, guidelines, and policies.

367 (h) The Contractor’s right pursuant to Federal Reclamation law and applicable  
368 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract during the  
369 term thereof and any subsequent renewal contracts, as described in Article 2 of this Contract, during  
370 the terms thereof shall not be disturbed so long as the Contractor shall fulfill all of its obligations  
371 under this Contract and any renewals thereof. Nothing in the preceding sentence shall affect the  
372 Contracting Officer’s ability to impose shortages under Article 11 or subdivision (b) of Article 12 of  
373 this Contract or applicable provisions of any subsequent renewal contracts.

374 (i) Project Water furnished to the Contractor pursuant to this Contract may be  
375 delivered for purposes other than those described in subdivisions (m) and (o) of Article 1 of this  
376 Contract upon written approval by the Contracting Officer in accordance with the terms and  
377 conditions of such approval.

378 (j) The Contracting Officer shall make reasonable efforts to protect the water  
379 rights necessary for the Project and to provide the water available under this Contract. The  
380 Contracting Officer shall not object to participation by the Contractor, in the capacity and to the  
381 extent permitted by law, in administrative proceedings related to the Project Water rights; Provided,  
382 That the Contracting Officer retains the right to object to the substance of the Contractor’s position in

383 such a proceeding; Provided further, That in such proceedings the Contracting Officer shall recognize  
384 the Contractor has a legal right under the terms of this Contract to use Project Water.

385 TIME FOR DELIVERY OF WATER

386 4. (a) On or about February 20 of each Calendar Year, the Contracting Officer shall  
387 announce the Contracting Officer's expected declaration of the Water Made Available. Such  
388 declaration will be expressed in terms of both Water Made Available and the Recent Historic  
389 Average and will be updated monthly, and more frequently if necessary, based on then-current  
390 operational and hydrologic conditions and a new declaration with changes, if any, to the Water Made  
391 Available will be made. The Contracting Officer shall provide forecasts of Project operations and the  
392 basis of the estimate, with relevant supporting information, upon the written request of the  
393 Contractor. Concurrently with the declaration of the Water Made Available, the Contracting Officer  
394 shall provide the Contractor with the updated Recent Historic Average.

395 (b) On or before March 1 and at such other times as necessary, the Contractor shall  
396 submit to the Contracting Officer a written schedule, satisfactory to the Contracting Officer, showing  
397 the monthly quantities of Project Water to be delivered by the United States to the Contractor  
398 pursuant to this Contract for the Year commencing on such March 1. The Contracting Officer shall  
399 use all reasonable means to deliver Project Water according to the approved schedule for the Year  
400 commencing on such March 1.

401 (c) The Contractor shall not schedule Project Water in excess of the quantity of

402 Project Water the Contractor intends to put to reasonable and beneficial use within the Joint Service  
403 Area or to sell, transfer or exchange pursuant to Article 9 of this Contract during any Year.

404 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this  
405 Contract, the United States shall deliver Project Water to the Contractor in accordance with the initial  
406 schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any written  
407 revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable time prior to  
408 the date(s) on which the requested change(s) is/are to be implemented.

409 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

410 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this  
411 Contract shall be delivered to the Contractor at the headworks of the San Benito Facilities and any  
412 additional point or points of delivery either on Project facilities or another location or locations  
413 mutually agreed to in writing by the Contracting Officer and the Contractor.

414 (b) The Contracting Officer, either directly or indirectly through its written  
415 agreement(s) with the Operating Non-Federal Entity(ies), shall make all reasonable efforts to  
416 maintain sufficient flows and levels of water in Project facilities to deliver Project Water to the  
417 Contractor at the point or points of delivery established pursuant to subdivision (a) of this Article.

418 (c) The Contractor shall deliver Irrigation Water in accordance with any  
419 applicable land classification provisions of Federal Reclamation law and the associated regulations.

420 The Contractor shall not deliver Project Water to land outside the Joint Service Area unless approved

421 in advance by the Contracting Officer.

422 (d) All Water Delivered to the Contractor pursuant to this Contract shall be  
423 measured and recorded with equipment furnished, installed, operated, and maintained by the  
424 Contracting Officer either directly or indirectly through its written agreement(s) with the Operating  
425 Non-Federal Entity(ies), unless undertaken by the Contractor with the consent of the Contracting  
426 Officer, at the point or points of delivery established pursuant to subdivision (a) of this Article. Upon  
427 the request of either party to this Contract, the Contracting Officer shall investigate, or cause to be  
428 investigated by the appropriate Operating Non-Federal Entity(ies), the accuracy of such  
429 measurements and shall take any necessary steps to adjust any errors appearing therein. For any  
430 period of time when accurate measurements have not been made, the Contracting Officer shall  
431 consult with the Contractor and the appropriate Operating Non-Federal Entity(ies), if any, prior to  
432 making a final determination of the quantity delivered for that period of time.

433 (e) Absent a separate contrary written agreement with the Contractor, neither the  
434 Contracting Officer nor any Operating Non-Federal Entity(ies) shall be responsible for the control,  
435 carriage, handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this  
436 Contract beyond the point or points of delivery established pursuant to subdivision (a) of this Article.  
437 The Contractor shall indemnify the United States, its officers, employees, agents, and assigns on  
438 account of damage or claim of damage of any nature whatsoever for which there is legal  
439 responsibility, including property damage, personal injury, or death arising out of or connected with

440 the control, carriage, handling, use, disposal, or distribution of such Water Delivered beyond such  
441 point or points of delivery, except for any damage or claim arising out of: (i) acts or omissions of the  
442 Contracting Officer or any of its officers, employees, agents, and assigns, including the Operating  
443 Non-Federal Entity(ies), with the intent of creating the situation resulting in any damage or claim; (ii)  
444 willful misconduct of the Contracting Officer or any of its officers, employees, agents, and assigns,  
445 including the Operating Non-Federal Entity(ies); (iii) negligence of the Contracting Officer or any of  
446 its officers, employees, agents, and assigns including the Operating Non-Federal Entity(ies); or (iv) a  
447 malfunction of facilities owned and/or operated by the United States or the Operating Non-Federal  
448 Entity(ies).

449 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

450 6. (a) The Contractor has established a measuring program satisfactory to the  
451 Contracting Officer. The Contractor shall ensure that all surface water delivered for irrigation  
452 purposes [to the Contractor's customers](#) within the Contractor's Service Area is measured at each  
453 agricultural turnout and such water delivered for M&I purposes [to the Contractor's customers](#) is  
454 measured at each M&I service connection. The water measuring devices or water measuring  
455 methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor  
456 shall be responsible for ensuring that its retail customers are installing, operating, and maintaining  
457 and repairing all measuring devices and implementing all water measuring methods at no cost to the  
458 United States. The Contractor shall use the information obtained from such water measuring devices

459 or water measuring methods to ensure its proper management of the water, to bill water users for  
460 water delivered by the Contractor; and, if applicable, to record water delivered for M&I purposes by  
461 customer class as defined in the Contractor's water conservation plan provided for in Article 26 of  
462 this Contract. Nothing herein contained, however, shall preclude the Contractor from establishing  
463 and collecting any charges, assessments, or other revenues authorized by California law. The  
464 Contractor shall include a summary of all its annual surface water deliveries in the annual report  
465 described in subdivision (c) of Article 26.

466 (b) To the extent the information has not otherwise been provided, upon execution  
467 of this Contract, the Contractor shall provide to the Contracting Officer a written report describing  
468 the measurement devices or water measuring methods being used or to be used to implement  
469 subdivision (a) of this Article and identifying the agricultural turnouts and the M&I service  
470 connections or alternative measurement programs approved by the Contracting Officer, at which such  
471 measurement devices or water measuring methods are being used, and, if applicable, identifying the  
472 locations at which such devices and/or methods are not yet being used including a time schedule for  
473 implementation at such locations. The Contracting Officer shall advise the Contractor in writing  
474 within 60 days as to the adequacy, and necessary modifications, if any, of the measuring devices or  
475 water measuring methods identified in the Contractor's report and if the Contracting Officer does not  
476 respond in such time, they shall be deemed adequate. If the Contracting Officer notifies the  
477 Contractor that the measuring devices or methods are inadequate, the parties shall within 60 days

478 following the Contracting Officer's response, negotiate in good faith the earliest practicable date by  
479 which the Contractor shall modify said measuring devices and/or measuring methods as required by  
480 the Contracting Officer to ensure compliance with subdivision (a) of this Article.

481 (c) All new surface water delivery systems installed within the Contractor's  
482 Service Area after the effective date of this Contract shall also comply with the measurement  
483 provisions described in subdivision (a) of this Article.

484 (d) The Contractor shall inform the Contracting Officer and the State of California  
485 in writing by April 30 of each Year of the monthly volume of surface water delivered within the  
486 Contractor's Service Area during the previous Year.

487 (e) The Contractor shall inform the Contracting Officer and the Operating Non-  
488 Federal Entity on or before the 20th calendar day of each month of the quantity of Irrigation Water  
489 and M&I Water taken during the preceding month.

490 RATES AND METHOD OF PAYMENT FOR WATER

491 7. (a) The Contractor shall pay the United States as provided in this Article for all  
492 Delivered Water at Rates, Charges, and the Tiered Pricing Component established in accordance  
493 with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's  
494 then-existing ratesetting policy for M&I Water. Such ratesetting policies shall be amended,  
495 modified, or superceded only through a public notice and comment procedure; (ii) applicable Federal  
496 Reclamation law and associated rules and regulations, or policies; and (iii) other applicable

497 provisions of this Contract. Payments shall be made by cash transaction, electronic funds transfer, or  
498 any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer.  
499 The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon execution of  
500 this Contract are set forth in Exhibit “B,” as may be revised annually.

501 (b) The Contracting Officer shall notify the Contractor of the Rates, Charges, and  
502 Tiered Pricing Component as follows:

503 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall  
504 provide the Contractor an estimate of the Charges for Project Water that will be applied to the period  
505 October 1, of the current Calendar Year, through September 30, of the following Calendar Year, and  
506 the basis for such estimate. The Contractor shall be allowed not less than two months to review and  
507 comment on such estimates. On or before September 15 of each Calendar Year, the Contracting  
508 Officer shall notify the Contractor in writing of the Charges to be in effect during the period October  
509 1 of the current Calendar Year, through September 30, of the following Calendar Year, and such  
510 notification shall revise Exhibit “B.”

511 (2) Prior to October 1 of each Calendar Year, the Contracting Officer shall  
512 make available to the Contractor an estimate of the Rates and Tiered Pricing Component for Project  
513 Water for the following Year and the computations and cost allocations upon which those Rates are  
514 based. The Contractor shall be allowed not less than two months to review and comment on such  
515 computations and cost allocations. By December 31 of each Calendar Year, the Contracting Officer

516 shall provide the Contractor with the final Rates and Tiered Pricing Component to be in effect for the  
517 upcoming Year, and such notification shall revise Exhibit “B.”

518 (c) At the time the Contractor submits the initial schedule for the delivery of  
519 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the Contractor  
520 shall make an advance payment to the United States equal to the total amount payable pursuant to the  
521 applicable Rate(s) set under subdivision (a) of this Article, for the Project Water scheduled to be  
522 delivered pursuant to this Contract during the first two calendar months of the Year. Before the end  
523 of the first month and before the end of each calendar month thereafter, the Contractor shall make an  
524 advance payment to the United States, at the Rate(s) set under subdivision (a) of this Article, for the  
525 Water Scheduled to be delivered pursuant to this Contract during the second month immediately  
526 following. Adjustments between advance payments for Water Scheduled and payments at Rates due  
527 for Water Delivered shall be made before the end of the following month; Provided, That any revised  
528 schedule submitted by the Contractor pursuant to Article 4 of this Contract which increases the  
529 amount of Water Delivered pursuant to this Contract during any month shall be accompanied with  
530 appropriate advance payment, at the Rates then in effect, to assure that Project Water is not delivered  
531 to the Contractor in advance of such payment. In any month in which the quantity of Water  
532 Delivered to the Contractor pursuant to this Contract equals the quantity of Water Scheduled and paid  
533 for by the Contractor, no additional Project Water shall be delivered to the Contractor unless and until  
534 an advance payment at the Rates then in effect for such additional Project Water is made. Final

535 adjustment between the advance payments for the Water Scheduled and payments for the quantities  
536 of Water Delivered during each Year pursuant to this Contract shall be made as soon as practicable  
537 but no later than April 30th of the following Year, or sixty days after the delivery of Project Water  
538 rescheduled under subdivision (g) of Article 3 of this Contract if such water is not delivered by the  
539 last day of February.

540 (d) The Contractor shall also make a payment in addition to the Rate(s) in  
541 subdivision (c) of this Article to the United States for Water Delivered, at the Charges and the  
542 appropriate Tiered Pricing Component then in effect, before the end of the month following the  
543 month of delivery; Provided, That the Contractor may be granted an exception from the Tiered  
544 Pricing Component pursuant to subdivision (j)(2) of this Article. The payments shall be consistent  
545 with the quantities of Irrigation Water and M&I Water Delivered as shown in the water delivery  
546 report for the subject month prepared by the Operating Non-Federal Entity(ies) or, if there is no  
547 Operating Non-Federal Entity, by the Contracting Officer. The water delivery report shall be deemed  
548 a bill for the payment of Charges and the applicable Tiered Pricing Component for Water Delivered.  
549 Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of  
550 payments due to the United States for Charges for the next month. Any amount to be paid for past  
551 due payment of Charges and the Tiered Pricing Component shall be computed pursuant to Article 20  
552 of this Contract.

553 (e) The Contractor shall pay for any Water Delivered under subdivision (a), (f), or

554 (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to applicable  
555 statutes, associated regulations, any applicable provisions of guidelines or ratesetting policies;

556 Provided, That the Rate for Water Delivered under subdivision (d) of Article 3 of this Contract shall  
557 be no more than the otherwise applicable Rate for Irrigation Water or M&I Water under subdivision  
558 (a) of this Article;

559 (f) Payments to be made by the Contractor to the United States under this Contract  
560 may be paid from any revenues available to the Contractor.

561 (g) All revenues received by the United States from the Contractor relating to the  
562 delivery of Project Water or the delivery of non-Project water through Project facilities shall be  
563 allocated and applied in accordance with Federal Reclamation law and the associated rules or  
564 regulations, and the then current Project ratesetting policies for M&I Water or Irrigation Water.

565 (h) The Contracting Officer shall keep its accounts pertaining to the administration  
566 of the financial terms and conditions of its long-term contracts, in accordance with applicable Federal  
567 standards, so as to reflect the application of Project costs and revenues. The Contracting Officer  
568 shall, each Year upon request of the Contractor, provide to the Contractor a detailed accounting of all  
569 Project and Contractor expense allocations, the disposition of all Project and Contractor revenues,  
570 and a summary of all water delivery information. The Contracting Officer and the Contractor shall  
571 enter into good faith negotiations to resolve any discrepancies or disputes relating to accountings,  
572 reports, or information.

573 (i) The parties acknowledge and agree that the efficient administration of this  
574 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,  
575 policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component, and/or  
576 for making and allocating payments, other than those set forth in this Article may be in the mutual  
577 best interest of the parties, it is expressly agreed that the parties may enter into agreements to modify  
578 the mechanisms, policies, and procedures for any of those purposes while this Contract is in effect  
579 without amending this Contract.

580 (1) Omitted.

581 (2) Beginning at such time as deliveries of Project Water in a Year exceed  
582 80 percent of the Contract Total, then before the end of the month following the month of delivery  
583 the Contractor shall make an additional payment to the United States equal to the applicable Tiered  
584 Pricing Component. The Tiered Pricing Component for the amount of Water Delivered in excess of  
585 80 percent of the Contract Total, but less than or equal to 90 percent of the Contract total, shall equal  
586 one-half of the difference between the Rate established under subdivision (a) of this Article and the  
587 Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, whichever is applicable. The Tiered  
588 Pricing Component for the amount of Water Delivered which exceeds 9 percent of the Contract total  
589 shall equal the difference between (i) the Rate established under subdivision (a) of this Article and  
590 (ii) the Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, which ever is applicable.

591 (3) Subject to the Contracting Officer's written approval, the Contractor

592 may request and receive an exemption from such Tiered Pricing Component for Project Water  
593 delivered to produce a crop which the Contracting Officer determines will provide significant and  
594 quantifiable habitat values for waterfowl in fields where the water is used and the crops are produced;  
595 Provided, That the exemption from the Tiered Pricing Component for Irrigation Water shall apply  
596 only if such habitat values can be assured consistent with the purposes of the CVPIA through binding  
597 agreements executed with or approved by the Contracting Officer prior to use of such water.

598 (4) For purposes of determining the applicability of the Tiered Pricing  
599 Component pursuant to this Article, Water Delivered shall include Project Water that the Contractor  
600 transfers to others but shall not include Project Water transferred to the Contractor, nor shall it  
601 include the additional water provided to the Contractor under the provisions of subdivision (f) of  
602 Article 3 of this Contract.

603 (k) For the term of this Contract, Rates applied under the respective ratesetting  
604 policies will be established to recover only reimbursable O&M (including any deficits) and capital  
605 costs of the Project, as those terms are used in the then-current Project ratesetting policies, and  
606 interest, where appropriate, except in instances where a minimum Rate is applicable in accordance  
607 with the relevant Project ratesetting policy. Changes of significance in practices which implement  
608 the Contracting Officer's ratesetting policies will not be implemented until the Contracting Officer  
609 has provided the Contractor an opportunity to discuss the nature, need, and impact of the proposed  
610 change.

611 (l) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the CVPIA,  
612 the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates adjusted  
613 upward or downward to reflect the changed costs, if any, incurred by the Contracting Officer in the  
614 delivery of the transferred Project Water to the transferee's point of delivery in accordance with the  
615 then applicable Project ratesetting policy. If the Contractor is receiving lower Rates and Charges  
616 because of inability to pay and is transferring Project Water to another entity who's Rates and  
617 Charges are not adjusted due to inability to pay, the Rates and Charges for transferred Project Water  
618 shall not be adjusted to reflect the Contractor's inability to pay.

619 (m) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting  
620 Officer is authorized to adjust determinations of ability to pay every five years.

621 REPAYMENT OF PROJECT WORKS

622 7.1 (a) Repayment of San Felipe Project Works. The unpaid balance of reimbursable  
623 capitalized costs for the San Felipe Division facilities as of \_\_\_\_\_ was \_\_\_\_\_. The  
624 Contractor and the Santa Clara Valley Water District are each entering to contracts with the United  
625 States committing to repay their separate, individual shares of these costs. The Contractor shall have  
626 the obligation to repay \_\_\_\_\_ as set forth in Exhibit \_\_\_\_ attached hereto. Upon full repayment  
627 of these amounts, the Contractor shall have no further repayment obligations associated with the  
628 capitalized costs of the facilities as specified in subdivision (b) and (c) below ~~above~~, or as  
629 cumulatively set forth in subdivision (a) of this Article ~~above~~, for the period up to the date set forth

630 [above. \[Paragraph moved from 7.1 \(c\)\]](#)

631 (b) Reach 1 Facilities. The unpaid balance of reimbursable capitalized costs of the  
632 facilities from the Pacheco tunnel inlet to and including the Pacheco Bifurcation Structure,  
633 hereinafter called Reach 1, as of \_\_\_\_\_ was \$\_\_\_\_\_. The Contractor shall have the  
634 obligation to repay \$\_\_\_\_\_ for Reach 1 as set forth in Exhibit \_\_\_\_ attached hereto.

635 (c) (1) Reach 2 and Reach 3 Facilities. Omitted.

636 (2) San Benito Facilities. The unpaid balance of reimbursable capitalized  
637 cost of the San Benito Facilities as of \_\_\_\_\_ was \$\_\_\_\_\_. The Contractor shall have the  
638 obligation to repay \$\_\_\_\_\_ for the San Benito Facilities, as set forth in Exhibit \_\_\_\_ attached hereto.

639 (3) San Justo. Language to be developed.

640 (d) Capitalized Interest. The interest rate for the repayment of the portion of the  
641 Pacheco Tunnel inlet used for M&I purposes shall be 3.137 percent per annum.

642 (1) The interest rate for repayment of the portion of the San Felipe  
643 Division Facilities, not including the Pacheco Tunnel inlet, used for M&I purposes shall be 3.5  
644 percent annum.

645 (2) The interest rate for repayment of Interest During Construction for the  
646 San Felipe Division Facilities allocated to the M&I function shall be a weighted rate of \_\_\_\_\_ percent  
647 per annum.

648 (3) Unpaid capital interest accruing prior to October 2004 shall be repaid at

649 a rate of \_\_\_\_ percent per annum consistent with the Agreement For Settlement of the CVP M&I  
650 Ratesetting Lawsuit entered into in 2005 to resolve *City of Fresno v. United States*, Civ. No. F-03-  
651 5350 (E.D. Cal.).

652 (e) Prepayments and Relief from Payment Schedule

653 (1) The Contractor may, instead of making the payments provided for in  
654 subdivisions (a), (b) and (c) above, at any time, submit full or partial advanced payment on any or all  
655 of the facilities described in those subdivisions. If, at any time prior to the expiration of this Contract,  
656 the Contractor desires to make full payment for any or part of the Contractor's share of Reach 1, or  
657 San Benito Facilities ~~Reach 2 or Reach 3 facilities~~, the appropriate reimbursable repayment amount  
658 for such facilities will be determined by the Contracting Officer and provided to the Contractor.  
659 Upon full payment of this amount, the Contractor shall have no further repayment obligations  
660 associated with the capitalized costs of the facilities as specified in (a), (b) and (c) above for the  
661 period up to [the date certain] set forth in those subdivisions

662 (2) If circumstances arise that compromise the Contractor's ability to make  
663 payments according to Exhibit \_\_\_\_, the Contracting Officer may adjust the schedule for payment and  
664 installment amounts consistent with Reclamation law.

665 (f) Capital Replacements and Additions.

666 (1) The Contractor may, at its option, and with the prior approval of the  
667 Contracting Officer, perform with its own funds any future capital construction or capital

668 replacement work. Upon completion of the work, and acceptance by Reclamation, such capital assets  
669 shall be donated to Reclamation pursuant to an asset valuation that includes all costs related to the  
670 project, including, but not limited to, the costs for studies, planning, engineering, materials, contracts,  
671 and labor. In recognition of the nonreimbursable allocation of the San Felipe Division costs for the  
672 conservation and development of fish and wildlife resources and the enhancement of recreation  
673 opportunities, 10% of the total costs of each donated capital asset shall be credited to the next  
674 scheduled payment(s) due from the Contractor.

675 (2) In the event funding is not provided by the Contractor, the United  
676 States remains responsible for any necessary future capital work, and such work shall be undertaken  
677 in consultation with the Contractor. Repayment for the Contractor's appropriate share of such future  
678 work shall be provided for through a separate contract or, at the Contractor's option, the parties may  
679 agree to revision or a addition of exhibits to this Contract without amending the Contract.

680 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

681 8. The Contractor and the Contracting Officer concur that, as of the effective date of this  
682 Contract, the Contractor has no non-interest bearing O&M deficits and shall have no further liability  
683 therefore.

684 SALES, TRANSFERS, OR EXCHANGES OF WATER

685 9. (a) The right to receive Project Water provided for in this Contract may be sold,  
686 transferred, or exchanged to others for reasonable and beneficial uses within the State of California if

**T.O. Draft 02/07/2006**

**T.O. Draft 10/14/2005**

**R.O. Draft 3/25-2004**

**R. O. Draft 3/23-2004**

**R.O. Draft 2/20-2004**

**R.O. Draft 7/24-2003**

**R.O. Draft 6/26-2003 CVP Wide Form 5/23/03; 2/13/04; 3/18/04**

**Delta Division**

**R.O. Delta Division 11/15-2000**

687 such sale, transfer, or exchange is authorized by applicable Federal and State laws, and applicable  
688 guidelines or regulations then in effect. No sale, transfer, or exchange of Project Water under this  
689 Contract may take place without the prior written approval of the Contracting Officer, except as  
690 provided for in subdivision (b) of this Article, and no such sales, transfers, or exchanges shall be  
691 approved absent all appropriate environmental documentation, including but not limited to,  
692 documents prepared pursuant to the NEPA and ESA. Such environmental documentation should  
693 include, as appropriate, an analysis of groundwater impacts and economic and social effects,  
694 including environmental justice, of the proposed water transfers on both the transferor and transferee.

695 (b) In order to facilitate efficient water management by means of water transfers of  
696 the type historically carried out among Project Contractors located within the same geographical area  
697 and to allow the Contractor to participate in an accelerated water transfer program during the term of  
698 this Contract, the Contracting Officer shall prepare, as appropriate, all necessary environmental  
699 documentation, including but not limited to documents prepared pursuant to NEPA and ESA,  
700 analyzing annual transfers within such geographical areas and the Contracting Officer shall determine  
701 whether such transfers comply with applicable law. Following the completion of the environmental  
702 documentation, such transfers addressed in such documentation shall be conducted with advance  
703 notice to the Contracting Officer, but shall not require prior written approval by the Contracting  
704 Officer. Such environmental documentation and the Contracting Officer's compliance determination  
705 shall be reviewed every five years and updated, as necessary, prior to the expiration of the then

706 existing five year period. All subsequent environmental documentation shall include an alternative to  
707 evaluate not less than the quantity of Project Water historically transferred within the same  
708 geographical area.

709 (c) For a water transfer to qualify under subdivision (b) of this Article, such water  
710 transfer must: (i) be for irrigation purposes for lands irrigated within the previous three years, for  
711 M&I use, groundwater recharge, groundwater banking, or similar groundwater activities, surface  
712 water storage, or fish and wildlife resources; not lead to land conversion; and be delivered to  
713 established cropland, wildlife refuges, groundwater basins or M&I use; (ii) occur within a single  
714 Year; (iii) occur between a willing seller and a willing buyer; (iv) convey water through existing  
715 facilities with no new construction or modifications to facilities and be between existing Project  
716 Contractors and/or the Contractor and the United States, Department of the Interior; and (v) comply  
717 with all applicable Federal, State, and local or tribal laws and requirements imposed for protection of  
718 the environment and Indian Trust Assets, as defined under Federal law.

719 APPLICATION OF PAYMENTS AND ADJUSTMENTS

720 10. (a) The amount of any overpayment by the Contractor of the Contractor's O&M,  
721 capital, and deficit (if any) obligations for the Year shall be applied first to any current liabilities of  
722 the Contractor arising out of this Contract then due and payable. Overpayments of more than \$1,000  
723 shall be refunded at the Contractor's request. In lieu of a refund, any amount of such overpayment at  
724 the option of the Contractor, may be credited against amounts to become due to the United States by

725 the Contractor. With respect to overpayment, such refund or adjustment shall constitute the sole  
726 remedy of the Contractor or anyone having or claiming to have the right to the use of any of the  
727 Project Water supply provided for herein. All credits and refunds of overpayments shall be made  
728 within 30 days of the Contracting Officer obtaining direction as to how to credit or refund such  
729 overpayment in response to the notice to the Contractor that it has finalized the accounts for the Year  
730 in which the overpayment was made.

731 (b) All advances for miscellaneous costs incurred for work requested by the  
732 Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs when the  
733 work has been completed. If the advances exceed the actual costs incurred, the difference will be  
734 refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will  
735 be billed for the additional costs pursuant to Article 25.

736 TEMPORARY REDUCTIONS--RETURN FLOWS

737 11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the  
738 requirements of Federal law and (ii) the obligations of the United States under existing contracts, or  
739 renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall make  
740 all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in this  
741 Contract.

742 (b) The Contracting Officer or Operating Non-Federal Entity(ies) may temporarily  
743 discontinue or reduce the quantity of Water Delivered to the Contractor as herein provided for the

744 purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project  
745 facilities or any part thereof necessary for the delivery of Project Water to the Contractor, but so far  
746 as feasible the Contracting Officer or Operating Non-Federal Entity(ies) will give the Contractor due  
747 notice in advance of such temporary discontinuance or reduction, except in case of emergency, in  
748 which case no notice need be given; Provided, That the United States shall use its best efforts to  
749 avoid any discontinuance or reduction in such service. Upon resumption of service after such  
750 reduction or discontinuance, and if requested by the Contractor, the United States will, if possible,  
751 deliver the quantity of Project Water which would have been delivered hereunder in the absence of  
752 such discontinuance or reduction.

753 (c) The United States reserves the right to all seepage and return flow water  
754 derived from Water Delivered to the Contractor hereunder which escapes or is discharged beyond the  
755 Joint Service Area; Provided, That this shall not be construed as claiming for the United States any  
756 right to seepage or return flow being put to reasonable and beneficial use pursuant to this Contract  
757 within the Joint Service Area by the Contractor or those claiming by, through, or under the  
758 Contractor.

759 CONSTRAINTS ON THE AVAILABILITY OF WATER

760 12. (a) In its operation of the Project, the Contracting Officer will use all reasonable  
761 means to guard against a Condition of Shortage in the quantity of water to be made available to the  
762 Contractor pursuant to this Contract. In the event the Contracting Officer determines that a Condition

763 of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination  
764 as soon as practicable.

765 (b) If there is a Condition of Shortage because of errors in physical operations of  
766 the Project, drought, other physical causes beyond the control of the Contracting Officer or actions  
767 taken by the Contracting Officer to meet legal obligations then, except as provided in subdivision (a)  
768 of Article 18 of this Contract, no liability shall accrue against the United States or any of its officers,  
769 agents, or employees for any damage, direct or indirect, arising therefrom.

770 (c) In any Year in which there may occur a Condition of Shortage for any of the  
771 reasons specified in subdivision (b) of this Article, and subject to subdivision (d) of this Article, and  
772 subject to subdivision (d) of this Article, the Contracting Officer will first allocate the available  
773 Project Water consistent with the Central Valley Project M&I Water Shortage Policy in its form on  
774 the effective date of this Contract for determining the amount of Project Water available for delivery  
775 to the Project Contractors. Subject to the forgoing allocation, in any Year in which there may occur a  
776 Condition of Shortage, the Contracting Officer shall then apportion Project Water among the  
777 Contractor and others entitled to Project Water from Delta Division Facilities under a long-term  
778 water service or repayment contracts (or renewals thereof or binding commitments therefore) in force  
779 on February 28, 2005, as follows:

780 (1) The Contracting Officer shall make an initial and subsequent  
781 determination as necessary of the total quantity of Project Water estimated to be scheduled or actually

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**R.O. Draft 3/25-2004**

**R. O. Draft 3/23-2004**

**R.O. Draft 2/20-2004**

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782 scheduled under subdivision (b) of Article 4 of this Contract and under all other long-term water  
783 service or repayment contracts then in force for the delivery of Project Water by the United States  
784 from Delta Division Facilities during the relevant Year, the quantity so determined being hereinafter  
785 referred to as the scheduled total;

786 (2) A determination shall be made of the total quantity of Project Water  
787 that is available for meeting the scheduled total, the quantity so determined being hereinafter referred  
788 to as the available supply;

789 (3) The total quantity of Project Water estimated to be scheduled or  
790 actually scheduled by the Contractor during the relevant Year, under subdivision (b) of Article 4  
791 hereof, shall be divided by the scheduled total, the quotient thus obtained being hereinafter referred to  
792 as the Contractor's proportionate share; and

793 (4) The available supply shall be multiplied by the Contractor's  
794 proportionate share and the result shall be the quantity of Project Water made available by the United  
795 States to the Contractor for the relevant Year in accordance with the schedule developed by the  
796 Contracting Officer under subdivision (c)(1) of this Article 12, but in no event shall such amount  
797 exceed the Contract Total. In the event the Contracting Officer subsequently determines that the  
798 Contracting Officer can increase or needs to decrease the available supply for delivery from Delta  
799 Division Facilities to long-term water service and repayment Contractors during the relevant Year,  
800 such additions or reductions to the available supply shall be apportioned consistent with

801 subparagraphs (1) through (4), inclusive.

802 (d) Project Water furnished under this long-term renewal contract for M&I  
803 purposes will be allocated in accordance with the Central Valley Project M&I Water Shortage Policy.  
804 Such policy shall be amended, modified, or superceded only through a public notice and comment  
805 procedure.

806 (e) By entering into this Contract, the Contractor does not waive any legal rights  
807 or remedies it may have to file or participate in any administrative or judicial proceeding contesting  
808 (i) the sufficiency of any Central Valley Project M&I Water Shortage Policy; (ii) the substance of  
809 such a policy; (iii) the applicability of such a policy; or (iv) the manner in which such policy is  
810 implemented in order to allocate Project Water between M&I and irrigation purposes; Provided, That  
811 the Contractor has commenced any such judicial challenge or any administrative procedures  
812 necessary to institute any judicial challenge within six months of the policy becoming final. By  
813 agreeing to the foregoing, the Contracting Officer does not waive any legal defenses or remedies that  
814 it may then have to assert in such a proceeding. Nothing contained herein shall be interpreted to  
815 validate or invalidate the Central Valley Project M&I Water Shortage Policy.

816 UNAVOIDABLE GROUNDWATER PERCOLATION

817 13. To the extent applicable, the Contractor shall not be deemed to have delivered  
818 Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this Contract if such  
819 lands are irrigated with groundwater that reaches the underground strata as an unavoidable result of

820 the delivery of Irrigation Water by the Contractor to Eligible Lands.

821 RULES AND REGULATIONS

822 14. (a) Except as provided by the San Felipe Division Act of August 28, 1967 (81  
823 Stat. 173), the parties agree that the delivery of Irrigation Water or use of Federal facilities pursuant  
824 to this Contract is subject to Federal Reclamation law, including but not limited to the Reclamation  
825 Reform Act of 1982 (43 U.S.C.390aa et seq.), as amended and supplemented, and the rules and  
826 regulations promulgated by the Secretary of the Interior under Federal Reclamation law.

827

828

WATER AND AIR POLLUTION CONTROL

829

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

833

834

QUALITY OF WATER

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836

16. (a) Project facilities used to deliver Project Water to the Contractor pursuant to  
837 this Contract shall be operated and maintained to enable the United States to deliver Project Water to  
838 the Contractor in accordance with the water quality standards specified in subsection 2(b) of the Act  
839 of August 26, 1937 (50 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat.  
840 3050) or other existing Federal laws. The United States is under no obligation to construct or furnish  
841 water treatment facilities to maintain or to improve the quality of Water Delivered to the Contractor  
842 pursuant to this Contract. The United States does not warrant the quality of Water Delivered to the  
843 Contractor pursuant to this Contract.

844

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846

(b) The O&M of Project facilities shall be performed in such manner as is  
practicable to maintain the quality of raw water made available through such facilities at the highest  
level reasonably attainable as determined by the Contracting Officer. The Contractor shall be

847 responsible for compliance with all State and Federal water quality standards applicable to surface  
848 and subsurface agricultural drainage discharges generated through the use of Federal or Contractor  
849 facilities or Project Water provided by the Contractor within the Contractor's Service Area.

850

851

852

WATER ACQUIRED BY THE CONTRACTOR  
OTHER THAN FROM THE UNITED STATES

853           17.   (a)    Except as provided by the San Felipe Division Act of August 28, 1967 (81  
854 Stat. 173), water or water rights now owned or hereafter acquired by the Contractor other than from  
855 the United States and Irrigation Water furnished pursuant to the terms of this Contract may be  
856 simultaneously transported through the same distribution facilities of the Contractor subject to the  
857 following: (i) if the facilities utilized for commingling Irrigation Water and non-Project water were  
858 constructed without funds made available pursuant to Federal Reclamation law, the provisions of  
859 Federal Reclamation law will be applicable only to the Landholders of lands which receive Irrigation  
860 Water; (ii) the eligibility of land to receive Irrigation Water must be established through the  
861 certification requirements as specified in the Acreage Limitation Rules and Regulations (43 CFR Part  
862 426); (iii) the water requirements of Eligible Lands within the Contractor's Service Area can be  
863 established and the quantity of Irrigation Water to be utilized is less than or equal to the quantity  
864 necessary to irrigate such Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation  
865 Water and non-Project water are/were constructed with funds made available pursuant to Federal  
866 Reclamation law, the non-Project water will be subject to the acreage limitation provisions of Federal  
867 Reclamation law, unless the Contractor pays to the United States the incremental fee described in 43

868 CFR 426.15. In determining the incremental fee, the Contracting Officer will calculate annually the  
869 cost to the Federal Government, including interest of storing or delivering non-Project water, which  
870 for purposes of this Contract shall be determined as follows: The quotient shall be the unpaid  
871 distribution system costs divided by the total irrigable acreage within the Contractor's Service Area.  
872 The incremental fee per acre is the mathematical result of such quotient times the interest rate  
873 determined using Section 202(3) of the Act of October 12, 1982 (96 Stat. 1263). Such incremental  
874 fee will be charged to each acre of excess or full cost land within the Contractor's Service Area that  
875 receives non-Project water through federally financed or constructed facilities. The incremental fee  
876 calculation methodology will continue during the term of this Contract absent the promulgation of a  
877 contrary Reclamation-wide rule, regulation or policy adopted after the Contractor has been afforded  
878 the opportunity to review and comment on the proposed rule, regulation or policy. If such rule,  
879 regulation or policy is adopted it shall supercede this provision.

880 (b) Water or water rights now owned or hereafter acquired by the Contractor, other  
881 than from the United States may be stored, conveyed and/or diverted through Project facilities,  
882 subject to the completion of appropriate environmental documentation, with the approval of the  
883 Contracting Officer and the execution of any contract determined by the Contracting Officer to be  
884 necessary, consistent with the following provisions:

885 (1) The Contractor may introduce non-Project water into Project facilities  
886 and deliver said water to lands within the Joint Service Area, including Ineligible Lands, subject to

887 payment to the United States and/or to any applicable Operating Non-Federal Entity of an appropriate  
888 rate as determined by the applicable Project ratesetting policy, the RRA, and the Project use power  
889 policy, if such Project use power policy is applicable, each as amended, modified or superceded from  
890 time to time.

891 (2) Delivery of such non-Project water in and through Project facilities  
892 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project purposes as  
893 determined by the Contracting Officer; (ii) reduce the quantity or quality of water available to other  
894 Project Contractors; (iii) interfere with the delivery of contractual water entitlements to any other  
895 Project Contractors; or (iv) interfere with the physical maintenance of the Project facilities

896 (3) Neither the United States nor the Operating Non-Federal Entity(ies)  
897 shall be responsible for control, care or distribution of the non-Project water before it is introduced  
898 into or after it is delivered from the Project facilities. The Contractor hereby releases and agrees to  
899 defend and indemnify the United States and the Operating Non-Federal Entity(ies), and their  
900 respective officers, agents, and employees, from any claim for damage to persons or property, direct  
901 or indirect, resulting from the act(s) of the Contractor, its officers, employees, agents, or assigns, in  
902 (i) extracting or diverting non-Project water from any source, or (ii) diverting such non-Project water  
903 into Project facilities.

904 (4) Diversion of such non-Project water into Project facilities shall be  
905 consistent with all applicable laws, and if involving groundwater, consistent with any applicable

906 groundwater management plan for the area from which it was extracted.

907 (5) After Project purposes are met, as determined by the Contracting  
908 Officer, the United States and the Project Contractors entitled to receive Project Water through Delta  
909 Division Facilities shall share priority to utilize the remaining capacity of the facilities declared to be  
910 available by the Contracting Officer for conveyance and transportation of non-Project water prior to  
911 any such remaining capacity being made available to non-Project contractors. Other Project  
912 Contractors shall have a second priority to any remaining capacity of facilities declared to be  
913 available by the Contracting Officer for conveyance and transportation of non-Project water prior to  
914 any such remaining capacity being made available to non-Project contractors.

915 OPINIONS AND DETERMINATIONS

916 18. (a) Where the terms of this Contract provide for actions to be based upon the  
917 opinion or determination of either party to this Contract, said terms shall not be construed as  
918 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or  
919 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly reserve  
920 the right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or  
921 unreasonable opinion or determination. Each opinion or determination by either party shall be  
922 provided in a timely manner. Nothing in subdivision (a) of Article 18 of this Contract is intended to  
923 or shall affect or alter the standard of judicial review applicable under Federal law to any opinion or  
924 determination implementing a specific provision of Federal law embodied in statute or regulation.



944 provide, to the extent practicable, the means of mutual communication and interaction regarding  
945 significant decisions concerning Project operation and management on a real-time basis.

946 (c) In light of the factors referred to in subdivision (b) of Article 3 of this Contract,  
947 it is the intent of the Secretary to improve water supply reliability. To carry out this intent:

948 (1) The Contracting Officer will, at the request of the Contractor, assist in  
949 the development of integrated resource management plans for the Contractor. Further, the  
950 Contracting Officer will, as appropriate, seek authorizations for implementation of partnerships to  
951 improve water supply, water quality, and reliability.

952 (2) The Secretary will, as appropriate, pursue program and project  
953 implementation and authorization in coordination with Project Contractors to improve the water  
954 supply, water quality, and reliability of the Project for all Project purposes.

955 (3) The Secretary will coordinate with Project Contractors and the State of  
956 California to seek improved water resource management.

957 (4) The Secretary will coordinate actions of agencies within the  
958 Department of the Interior that may impact the availability of water for Project purposes.

959 (5) The Contracting Officer shall periodically, but not less than annually,  
960 hold division level meetings to discuss Project operations, division level water management  
961 activities, and other issues as appropriate.

962 (d) Without limiting the contractual obligations of the Contracting Officer under

963 the other Articles of this Contract, nothing in this Article shall be construed to limit or constrain the  
964 Contracting Officer's ability to communicate, coordinate, and cooperate with the Contractor or other  
965 interested stakeholders or to make decisions in a timely fashion as needed to protect health, safety or  
966 the physical integrity of structures or facilities.

967 CHARGES FOR DELINQUENT PAYMENTS

968 20. (a) The Contractor shall be subject to interest, administrative and penalty charges  
969 on delinquent installments or payments. When a payment is not received by the due date, the  
970 Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date.  
971 When a payment becomes sixty (60) days delinquent, the Contractor shall pay an administrative  
972 charge to cover additional costs of billing and processing the delinquent payment. When a payment  
973 is delinquent ninety (90) days or more, the Contractor shall pay an additional penalty charge of six  
974 (6%) percent per year for each day the payment is delinquent beyond the due date. Further, the  
975 Contractor shall pay any fees incurred for debt collection services associated with a delinquent  
976 payment.

977  
978 (b) The interest charge rate shall be the greater of the rate prescribed quarterly in  
979 the Federal Register by the Department of the Treasury for application to overdue payments, or the  
980 interest rate of one-half of one (0.5%) percent per month prescribed by Section 6 of the Reclamation  
981 Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due  
982 date and remain fixed for the duration of the delinquent period.

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

986

987

EQUAL OPPORTUNITY

988 21. During the performance of this Contract, the Contractor agrees as follows:

989 (a) The Contractor will not discriminate against any employee or applicant for

990 employment because of race, color, religion, sex, or national origin. The Contractor will take  
991 affirmative action to ensure that applicants are employed, and that employees are treated during  
992 employment, without regard to their race, color, religion, sex, or national origin. Such action shall  
993 include, but not be limited to, the following: Employment, upgrading, demotion, or transfer;  
994 recruitment or recruitment advertising; layoff or termination, rates of payment or other forms of  
995 compensation; and selection for training, including apprenticeship. The Contractor agrees to post in  
996 conspicuous places, available to employees and applicants for employment, notices to be provided by  
997 the Contracting Officer setting forth the provisions of this nondiscrimination clause.

998 (b) The Contractor will, in all solicitations or advertisements for employees placed  
999 by or on behalf of the Contractor, state that all qualified applicants will receive consideration for  
1000 employment without discrimination because of race, color, religion, sex, or national origin.

1001 (c) The Contractor will send to each labor union or representative of workers with  
1002 which it has a collective bargaining agreement or other contract or understanding, a notice, to be  
1003 provided by the Contracting Officer, advising the said labor union or workers' representative of the  
1004 Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and  
1005 shall post copies of the notice in conspicuous places available to employees and applicants for  
1006 employment.

1007  
1008 (d) The Contractor will comply with all provisions of Executive Order  
1009 No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of  
1010 the Secretary of Labor.

1011 (e) The Contractor will furnish all information and reports required by said  
1012 amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or  
1013 pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer  
1014 and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules,  
1015 regulations, and orders.

1016 (f) In the event of the Contractor's noncompliance with the nondiscrimination  
1017 clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be  
1018 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible  
1019 for further Government contracts in accordance with procedures authorized in said amended  
1020 Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said  
1021 Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided  
1022 by law.

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1023 (g) The Contractor will include the provisions of paragraphs (a) through (g) in  
1024 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
1025 Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such  
1026 provisions will be binding upon each subcontractor or vendor. The Contractor will take such action  
1027 with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a  
1028 means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That  
1029 in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor  
1030 or vendor as a result of such direction, the Contractor may request the United States to enter into such  
1031 litigation to protect the interests of the United States.

1032 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

1033 22. (a) The obligation of the Contractor to pay the United States as provided in this  
1034 Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation  
1035 may be distributed among the Contractor's water users and notwithstanding the default of individual  
1036 water users in their obligations to the Contractor.

1037 (b) The payment of charges becoming due hereunder is a condition precedent to  
1038 receiving benefits under this Contract. The United States shall not make water available to the  
1039 Contractor through Project facilities during any period in which the Contractor may be in arrears in  
1040 the advance payment of water rates due the United States. The Contractor shall not furnish water  
1041 made available pursuant to this Contract for lands or parties which are in arrears in the advance  
1042 payment of water rates levied or established by the Contractor.

1043 (c) With respect to subdivision (b) of this Article, the Contractor shall have no  
1044  
1045 obligation to require advance payment for water rates which it levies.

1046 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

1047 23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42  
1048 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age  
1049 Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights laws, as  
1050 well as with their respective implementing regulations and guidelines imposed by the U.S.  
1051 Department of the Interior and/or Bureau of Reclamation.

1052 (b) These statutes require that no person in the United States shall, on the grounds  
1053 of race, color, national origin, handicap, or age, be excluded from participation in, be denied the  
1054 benefits of, or be otherwise subjected to discrimination under any program or activity receiving  
1055 financial assistance from the Bureau of Reclamation. By executing this Contract, the Contractor  
1056 agrees to immediately take any measures necessary to implement this obligation, including permitting  
1057 officials of the United States to inspect premises, programs, and documents.

1058 (c) The Contractor makes this agreement in consideration of and for the purpose  
1059 of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial  
1060 assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including  
1061 installment payments after such date on account of arrangements for Federal financial assistance  
1062 which were approved before such date. The Contractor recognizes and agrees that such Federal  
1063 assistance will be extended in reliance on the representations and agreements made in this Article,  
1064 and that the United States reserves the right to seek judicial enforcement thereof.

1065

1066

#### PRIVACY ACT COMPLIANCE

1067 24. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (the  
1068 Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et seq.) in  
1069 maintaining Landholder acreage certification and reporting records, required to be submitted to the  
1070 Contractor for compliance with Sections 206 and 228 of the Reclamation Reform Act of 1982 (96  
1071 Stat. 1266), and pursuant to 43 CFR 426.18.

1072 (b) With respect to the application and administration of the criminal penalty  
1073 provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees responsible  
1074 for maintaining the certification and reporting records referenced in (a) above are considered to be  
1075 employees of the Department of the Interior. See 5 U.S.C. 552a(m).

1076

1077 (c) The Contracting Officer or a designated representative shall provide the  
1078 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of  
1079 Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--Interior,  
1080 Reclamation-31) which govern the maintenance, safeguarding, and disclosure of information  
1081 contained in the Landholder's certification and reporting records.

1082 (d) The Contracting Officer shall designate a full-time employee of the Bureau of  
1083 Reclamation to be the System Manager who shall be responsible for making decisions on denials  
1084 pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The Contractor is

1085 authorized to grant requests by individuals for access to their own records.

1086 (e) The Contractor shall forward promptly to the System Manager each proposed  
1087 denial of access under 43 CFR 2.64; and each request for amendment of records filed under 43 CFR  
1088 2.71; notify the requester accordingly of such referral; and provide the System Manager with  
1089 information and records necessary to prepare an appropriate response to the requester. These  
1090 requirements do not apply to individuals seeking access to their own certification and reporting forms  
1091 filed with the Contractor pursuant to 43 CFR 426.18, unless the requester elects to cite the Privacy  
1092 Act as a basis for the request.

1093

1094 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

1095

1096 25. In addition to all other payments to be made by the Contractor pursuant to this  
1097 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and  
1098 detailed statement submitted by the Contracting Officer to the Contractor for such specific items of  
1099 direct cost incurred by the United States for work requested by the Contractor associated with this  
1100 Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies and  
1101 procedures. All such amounts referred to in this Article shall not exceed the amount agreed to in  
1102 writing in advance by the Contractor. This Article shall not apply to costs for routine contract  
1103 administration.

1104

WATER CONSERVATION

1105 26. (a) Prior to the delivery of water provided from or conveyed through Federally  
1106 constructed or Federally financed facilities pursuant to this Contract, the Contractor shall be  
1107 implementing an effective water conservation and efficiency program based on the Contractor's water  
1108 conservation plan that has been determined by the Contracting Officer to meet the conservation and

1109 efficiency criteria for evaluating water conservation plans established under Federal law. The water  
1110 conservation and efficiency program shall contain definite water conservation objectives, appropriate  
1111 economically feasible water conservation measures, and time schedules for meeting those objectives.  
1112 Continued Project Water delivery pursuant to this Contract shall be contingent upon the Contractor's  
1113 continued implementation of such water conservation program. In the event the Contractor's water  
1114 conservation plan or any revised water conservation plan completed pursuant to subdivision (d) of  
1115 Article 26 of this Contract have not yet been determined by the Contracting Officer to meet such  
1116 criteria, due to circumstances which the Contracting Officer determines are beyond the control of the  
1117 Contractor, water deliveries shall be made under this Contract so long as the Contractor diligently  
1118 works with the Contracting Officer to obtain such determination at the earliest practicable date, and  
1119 thereafter the Contractor immediately begins implementing its water conservation and efficiency  
1120 program in accordance with the time schedules therein.

1121 (b) Should the amount of M&I Water delivered pursuant to subdivision (a) of  
1122 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall implement  
1123 the Best Management Practices identified by the time frames issued by the California Urban Water  
1124 Conservation Council for such M&I Water unless any such practice is determined by the Contracting  
1125 Officer to be inappropriate for the Contractor.

1126 (c) The Contractor shall submit to the Contracting Officer a report on the status of  
1127 its implementation of the water conservation plan on the reporting dates specified in the then existing

1128 conservation and efficiency criteria established under Federal law.

1129 (d) At 5 year intervals, the Contractor shall revise its water conservation plan to  
1130 reflect the then current conservation and efficiency criteria for evaluating water conservation plans  
1131 established under Federal law and submit such revised water management plan to the Contracting  
1132 Officer for review and evaluation. The Contracting Officer will then determine if the water  
1133 conservation plan meets Reclamation's then current conservation and efficiency criteria for  
1134 evaluating water conservation plans established under Federal law.

1135 (e) If the Contractor is engaged in direct groundwater recharge, such activity shall  
1136 be described in the Contractor's water conservation plan.

1137 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

1138 27. Except as specifically provided in Article 17 of this Contract, the provisions of this  
1139 Contract shall not be applicable to or affect non-project water or water rights now owned or hereafter  
1140 acquired by the Contractor or any user of such water within the Joint Service Area. Any such water  
1141 shall not be considered Project Water under this Contract. In addition, this Contract shall not be  
1142 construed as limiting or curtailing any rights which the Contractor or any water user within the Joint  
1143 Service Area acquires or has available under any other contract pursuant to Federal Reclamation law.

1144 OPERATION AND MAINTENANCE BY OPERATING NON-FEDERAL ENTITY

1145 28. (a) The O&M of a portion of the Project facilities which serve the Contractor,  
1146 and responsibility for funding a portion of the costs of such O&M, have been transferred to the San

1147 Luis & Delta-Mendota Water Authority, an Operating Non-Federal Entity by separate agreement (8-  
1148 07-20-X0354) between the United States and the Operating Non-Federal Entity San Luis & Delta-  
1149 Mendota Water Authority. That separate agreement shall not interfere with or affect the rights or  
1150 obligations of the Contractor or the United States hereunder.

1151 (b) The Contracting Officer has previously notified the Contractor in writing that  
1152 the Operation and Maintenance of a portion of the Project facilities which serve the Contractor has  
1153 been transferred to the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority,  
1154 and therefore, the Contractor shall pay directly to the Operating Non-Federal Entity San Luis &  
1155 Delta-Mendota Water Authority, or to any successor approved by the Contracting Officer under the  
1156 terms and conditions of the separate agreement between the United States and the Operating Non-  
1157 Federal Entity San Luis & Delta-Mendota Water Authority described in subdivision (a) of this  
1158 Article, all rates, charges, or assessments of any kind, including any assessment for reserve funds,  
1159 which the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or such  
1160 successor determines, sets, or establishes for the O&M of the portion of the Project facilities operated  
1161 and maintained by the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or  
1162 such successor. Such direct payments to the Operating Non-Federal Entity San Luis & Delta-  
1163 Mendota Water Authority or such successor shall not relieve the Contractor of its obligation to pay  
1164 directly to the United States the Contractor's share of the Project Rates, Charges, and Tiered Pricing  
1165 Component except to the extent the Operating Non-Federal Entity San Luis & Delta-Mendota Water

1166 Authority collects payments on behalf of the United States in accordance with the separate agreement  
1167 identified in subdivision (a) of this Article.

1168 (c) For so long as the O&M of any portion of the Project facilities serving the  
1169 Contractor is performed by the Operating Non-Federal Entity San Luis & Delta-Mendota Water  
1170 Authority, or any successor thereto, the Contracting Officer shall adjust those components of the  
1171 Rates for Water Delivered under this Contract representing the cost associated with the activity being  
1172 performed by the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or its  
1173 successor.

1174 (d) In the event the O&M of the Project facilities operated and maintained by the  
1175 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority is re-assumed by the  
1176 United States during the term of this Contract, the Contracting Officer shall so notify the Contractor,  
1177 in writing, and present to the Contractor a revised Exhibit "B" which shall include the portion of the  
1178 Rates to be paid by the Contractor for Project Water under this Contract representing the O&M costs  
1179 of the portion of such Project facilities which have been re-assumed. The Contractor shall, thereafter,  
1180 in the absence of written notification from the Contracting Officer to the contrary, pay the Rates,  
1181 Charges, and Tiered Pricing Component specified in the revised Exhibit "B" directly to the United  
1182 States in compliance with Article 7 of this Contract.

1183 OPERATION AND MAINTENANCE BY SAN BENITO COUNTY WATER DISTRICT

1184 28.1 (a) The O&M of ~~these~~ the San Benito Facilities ~~San Felipe Division west of the~~

1185 ~~Bifurcation Structure, which provide for water delivery to Zone 6 of San Benito County Water~~  
1186 ~~District~~, have been transferred to the San Benito County Water District by separate agreement  
1187 (Contract No. 08-07-20-W0130) between the United States and San Benito County Water District.

1188 Notwithstanding any other provisions of this Contract, Articles 17, 18, and 20 of Contract No. 08-07-  
1189 20-W0130 are hereby incorporated into this Contract as though fully set forth in this Article.

1190 (b) The Contractor, as the Operating Non-Federal Entity for the San ~~Benito County~~  
1191 ~~Water District~~ Facilities, has the right to impose upon any entity a charge to recover costs incurred by  
1192 the Contractor, in addition to operation and maintenance charges in accordance with Contract No. 08-  
1193 07-20-W0130, provided such charges are just and reasonable.

1194 (c) In any contract with an entity to deliver Project Water or non-Project water  
1195 through the San ~~Felipe Division~~ Facilities, the Contracting Officer shall require that such entity enter  
1196 into an agreement with the Contractor to pay such charges as are just and reasonable for use of the  
1197 San Benito ~~County Water District~~ Facilities.

1198 OPERATION AND MAINTENANCE BY SANTA CLARA VALLEY WATER DISTRICT

1199 28.2 (a) The O&M of a portion of the San Felipe Division Facilities have been  
1200 transferred to Santa Clara Valley Water District by separate agreements (Contract No. 6-07-20-  
1201 X0290) between the United States and the existing San Felipe Division Contractors. Unless  
1202 otherwise expressly set forth herein, nothing in this Contract is intended to affect the rights and  
1203 obligations set forth in Contract No. 6-07-20-X0290. The United States and the Contractor agree that

1204 this Contract, and any amendments or renewals thereto, shall be considered to be within the definition  
1205 of "Contract" as provided in Contract No. 6-07-20-X0290, so that the execution of this Contract shall  
1206 not impact the effectiveness of Contract No. 6-07-20-X0290, and Contract No. 6-07-20-X0290 is  
1207 hereby deemed to so provide.

1208 (b) If requested by the Contractor, the United States shall be responsible for  
1209 major repair or replacement of San Felipe Division Facilities required as a result of disaster or  
1210 obsolescence as determined by the Contracting Officer.

1211 28.3 (a) Reach 1. Santa Clara Valley Water District, Operating Non-Federal Entity, has  
1212 the right to impose on any entity other than San Benito County Water District a charge to recover  
1213 costs incurred by Santa Clara Valley Water District for Reach 1 of the San Felipe Division Facilities,  
1214 in addition to O&M charges; Provided That, such charges are just and reasonable.

1215 (b) In any contract with any entity other than San Benito County Water District to  
1216 deliver Project Water or non-Project water through Reach 1 of the San Felipe Division Facilities, the  
1217 Contracting Officer shall require the contractor to pay Santa Clara Valley Water District such charges  
1218 as are just and reasonable for the use of Reach 1 of the San Felipe Division Facilities.

1219 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1220 29. The expenditure or advance of any money or the performance of any obligation of  
1221 the United States under this Contract shall be contingent upon appropriation or allotment of funds.  
1222 Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations  
1223 under this Contract. No liability shall accrue to the United States in case funds are not appropriated  
1224 or allotted.

1225

BOOKS, RECORDS, AND REPORTS

1226           30. (a)       The Contractor shall establish and maintain accounts and other books and  
1227 records pertaining to administration of the terms and conditions of this Contract, including: the  
1228 Contractor's financial transactions, water supply data, and Project land and right-of-way agreements;  
1229 the water users' land-use (crop census), land ownership, land-leasing and water use data; and other  
1230 matters that the Contracting Officer may require. Reports thereon shall be furnished to the  
1231 Contracting Officer in such form and on such date or dates as the Contracting Officer may require.  
1232 Subject to applicable Federal laws and regulations, each party to this Contract shall have the right  
1233 during office hours to examine and make copies of the other party's books and records relating to  
1234 matters covered by this Contract.

1235  
1236                       (b)       Notwithstanding the provisions of subdivision (a) of this Article, no books,  
1237 records, or other information shall be requested from the Contractor by the Contracting Officer unless  
1238 such books, records, or information are reasonably related to the administration or performance of  
1239 this Contract. Any such request shall allow the Contractor a reasonable period of time within which  
1240 to provide the requested books, records, or information.

1241  
1242                       (c)       At such time as the Contractor provides information to the Contracting Officer  
1243 pursuant to subdivision (a) of this Article, a copy of such information shall be provided to the  
1244 Operating Non-Federal Entity.

1245                       ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

1246           31. (a)       The provisions of this Contract shall apply to and bind the successors and  
1247 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest  
1248 therein shall be valid until approved in writing by the Contracting Officer.

1249                       (b)       The assignment of any right or interest in this Contract by either party shall not  
1250 interfere with the rights or obligations of the other party to this Contract absent the written  
1251 concurrence of said other party.

1252                       (c)       The Contracting Officer shall not unreasonably condition or withhold approval

1253 of any proposed assignment.

1254 SEVERABILITY

1255 32. In the event that a person or entity who is neither (i) a party to a Project contract, nor  
1256 (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii) an  
1257 association or other form of organization whose primary function is to represent parties to Project  
1258 contracts, brings an action in a court of competent jurisdiction challenging the legality or  
1259 enforceability of a provision included in this Contract and said person, entity, association, or  
1260 organization obtains a final court decision holding that such provision is legally invalid or  
1261 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s), the  
1262 parties to this Contract shall use their best efforts to (i) within 30 days of the date of such final court  
1263 decision identify by mutual agreement the provisions in this Contract which must be revised and (ii)  
1264 within 3 months thereafter promptly agree on the appropriate revision(s). The time periods specified  
1265 above may be extended by mutual agreement of the parties. Pending the completion of the actions  
1266 designated above, to the extent it can do so without violating any applicable provisions of law, the  
1267 United States shall continue to make the quantities of Project Water specified in this Contract  
1268 available to the Contractor pursuant to the provisions of this Contract which were not found to be  
1269 legally invalid or unenforceable in the final court decision.

1270 RESOLUTION OF DISPUTES

1271 33. Should any dispute arise concerning any provisions of this Contract, or the parties'

1272 rights and obligations thereunder, the parties shall meet and confer in an attempt to resolve the  
1273 dispute. Prior to the Contractor commencing any legal action, or the Contracting Officer referring  
1274 any matter to the Department of Justice, the party shall provide to the other party 30 days' written  
1275 notice of the intent to take such action; Provided, That such notice shall not be required where a delay  
1276 in commencing an action would prejudice the interests of the party that intends to file suit. During  
1277 the 30 day notice period, the Contractor and the Contracting Officer shall meet and confer in an  
1278 attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or  
1279 abridge any right or remedy that the Contractor or the United States may have.

1280 OFFICIALS NOT TO BENEFIT

1281 34. No Member of or Delegate to Congress, Resident Commissioner, or official of the  
1282 Contractor shall benefit from this Contract other than as a water user or landowner in the same  
1283 manner as other water users or landowners.

1284

1285 CHANGES IN CONTRACTOR'S SERVICE AREA

1286 35. (a) While this Contract is in effect, no change may be made in the Contractor's  
1287 Service Area, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise,  
1288 except upon the Contracting Officer's written consent.

1289 (b) Within 30 days of receipt of a request for such a change, the Contracting  
1290 Officer will notify the Contractor of any additional information required by the Contracting Officer  
1291 for processing said request, and both parties will meet to establish a mutually agreeable schedule for  
1292 timely completion of the process. Such process will analyze whether the proposed change is likely  
1293 to: (i) result in the use of Project Water contrary to the terms of this Contract; (ii) impair the ability of

1294 the Contractor to pay for Project Water furnished under this Contract or to pay for any Federally-  
1295 constructed facilities for which the Contractor is responsible; and (iii) have an impact on any Project  
1296 Water rights applications, permits, or licenses. In addition, the Contracting Officer shall comply with  
1297 the NEPA and the ESA. The Contractor will be responsible for all costs incurred by the Contracting  
1298 Officer in this process, and such costs will be paid in accordance with Article 25 of this Contract.

1299 (c) While this contract is in effect, no change shall be made in the Contractor's  
1300 organization, by inclusion or exclusion of lands, by dissolution, consolidation, merger or otherwise,  
1301 except upon the Contracting Officer's written consent.

1302 FEDERAL LAWS

1303 36. By entering into this Contract, the Contractor does not waive its rights to contest the  
1304 validity or application in connection with the performance of the terms and conditions of this  
1305 Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with the  
1306 terms and conditions of this Contract unless and until relief from application of such Federal law or  
1307 regulation to the implementing provision of the Contract is granted by a court of competent  
1308 jurisdiction.

1309 NOTICES

1310 37. Any notice, demand, or request authorized or required by this Contract shall be  
1311 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered  
1312 to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA 93721, and on  
1313 behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors of  
1314 the San Benito County Water District, P.O. Box 899, Hollister, CA 95024-0899. The designation of

**T.O. Draft 02/07/2006**

**T.O. Draft 10/14/2005**

**R.O. Draft 3/25-2004**

**R. O. Draft 3/23-2004**

**R.O. Draft 2/20-2004**

**R.O. Draft 7/24-2003**

**R.O. Draft 6/26-2003 CVP Wide Form 5/23/03; 2/13/04; 3/18/04**

**Delta Division**

**R.O. Delta Division 11/15-2000**

1315 the addressee or the address may be changed by notice given in the same manner as provided in this  
1316 Article for other notices.

1317 CONFIRMATION OF CONTRACT

1318 38. The Contractor, after the execution of this Contract, shall promptly seek to secure a  
1319 decree of a court of competent jurisdiction of the State of California, confirming the execution of this  
1320 Contract. The Contractor shall furnish the United States a certified copy of the final decree, the  
1321 validation proceedings, and all pertinent supporting records of the court approving and confirming  
1322 this Contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor.



**T.O. Draft 02/07/2006**

**T.O. Draft 10/14/2005**

**R.O. Draft 3/25-2004**

**R. O. Draft 3/23-2004**

**R.O. Draft 2/20-2004**

**R.O. Draft 7/24-2003**

**R.O. Draft 6/26-2003 CVP Wide Form 5/23/03; 2/13/04; 3/18/04**

**Delta Division**

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1335

1336

**EXHIBIT A**

[Map or Description of Service Area]

**T.O. Draft 02/07/2006**

**T.O. Draft 10/14/2005**

**R.O. Draft 3/25-2004**

**R. O. Draft 3/23-2004**

**R.O. Draft 2/20-2004**

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**Delta Division**

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1337

1338

**EXHIBIT B**  
**[Initial Rates and Charges]**