

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California
INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES AND
KIRKWOOD WATER DISTRICT
PROVIDING FOR PROJECT WATER SERVICE

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	2
1	Definitions	4
2	Term of Contract - Right to Use of Water	7
3	Water to Be Made Available and Delivered to the Contractor	12
4	Time for Delivery of Water	14
5	Point of Diversion and Responsibility for Distribution of Water	15
6	Measurement of Water Within the District	17
7	Rates and Method of Payment for Water	18
8	Non-Interest Bearing Operation and Maintenance Deficits	22
9	Transfers or Exchanges of Water	22
10	Application of Payments and Adjustments	23
11	Temporary Reductions--Return Flows	24
12	Water Shortage and Apportionment	25
13	Unavoidable Groundwater Percolation	26
14	Compliance with Federal Reclamation Law	26
15	Water and Air Pollution Control	26
16	Quality of Water	26
17	Water Acquired by the Contractor Other than from the United States	27
18	Opinions and Determinations	28
19	Charges for Delinquent Payments	29
20	Equal Opportunity	29
21	General Obligation--Benefits Conditioned upon Payment	31
22	Compliance with Civil Rights Laws and Regulations	31
23	Privacy Act Compliance	32
24	Contractor to Pay Certain Miscellaneous Costs	33
<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>

25	Water Conservation	33
26	Existing or Acquired Water or Water Rights	35
27	Operation and Maintenance by Non-Federal Entity	35
28	Contingent on Appropriation or Allotment of Funds	37
29	Books Records and Reports	37
30	Assignment Limited--Successors and Assigns Obligated	37
31	Severability	38
32	Officials Not to Benefit	38
33	Changes in Contractor's Boundaries	39
34	Notices	39
	Signature Page	40
	Exhibit A	
	Exhibit B	

1
2
3
4 UNITED STATES
5 DEPARTMENT OF THE INTERIOR
6 BUREAU OF RECLAMATION
7 Central Valley Project, California
8
9

10 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
11 AND
12 KIRKWOOD WATER DISTRICT
13 PROVIDING FOR PROJECT WATER SERVICE
14

15 THIS CONTRACT, made this 9th day of March 2001, in pursuance
16 generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
17 thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and
18 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70
19 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1262), as amended and Title
20 XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as
21 the Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter
22 referred to as the United States, and KIRKWOOD WATER DISTRICT, hereinafter referred to as
23 the Contractor, a public agency of the State of California, duly organized, existing, and acting
24 pursuant to the laws thereof, with its principal place of business in Corning, California;

25 WITNESSETH, That:
26

1 EXPLANATORY RECITALS

2 WHEREAS, the United States has constructed and is operating the Central Valley
3 Project, California for diversion, storage, carriage, distribution and beneficial use, for flood
4 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
5 restoration, generation and distribution of electric energy, salinity control, navigation and other
6 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and
7 the San Joaquin River and their tributaries; and

8 WHEREAS, the United States constructed the Red Bluff Diversion Dam, and
9 Tehama-Colusa Canal and related delivery facilities including pumping plants, hereinafter
10 collectively referred to as the Canal Facilities, which will be used in part for the furnishing of
11 water to the Contractor pursuant to the terms of this interim renewal contract; and

12 WHEREAS, the Contractor and the United States entered into Contract No. 7-07-
13 20-W0056, which provided the Contractor Central Valley Project water from the Canal Facilities
14 from July 11, 1977 to February 28, 1995 and under which the initial date of water delivery to the
15 Contractor was January 1, 1981; and

16 WHEREAS, the Contractor and the United States entered into interim renewal
17 contract(s) identified as Contract No(s). 7-07-20-W0056-IR1, 7-07-20-W0056-IR2, 7-07-20-
18 W0056-IR3, and 7-07-20-W0056-IR4, the latter of which is hereinafter referred to as the
19 Existing Interim Renewal Contract, which provided for the continued water service to the
20 Contractor from December 1, 2000 through February 28, 2001; and

1 WHEREAS, the Contractor has requested a subsequent interim renewal contract
2 pursuant to the Existing Interim Renewal Contract, Federal Reclamation law and the laws of the
3 State of California, for water service from the Central Valley Project; and

4 WHEREAS, the United States has determined that the Contractor has to date
5 fulfilled all of its obligations under the Existing Interim Renewal Contract; and

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

10 WHEREAS, rights of renewal of Contract No. 7-07-20-W0056, and to convert
11 said contract to a contract as provided by subsection (d), Section 9 of the Act of August 4, 1939
12 (53 Stat. 1187) are set forth in said contract; and

13 WHEREAS, Section 3404 of the CVPIA, precludes long-term renewal of water
14 service contracts until the completion of appropriate environmental documentation, including a
15 programmatic environmental impact statement ("PEIS") pursuant to the National Environmental
16 Policy Act analyzing the direct and indirect impacts and benefits of implementing the CVPIA
17 and the potential renewal of all existing contracts for Project Water; and

18 WHEREAS, in order to continue water service provided under Project water
19 service contracts that expire prior to the completion of the PEIS, the United States intends to
20 execute interim renewal contracts for a period not to exceed three (3) Years in length, and for
21 successive interim periods of not more than two (2) Years in length, until appropriate

1 environmental documentation, including the PEIS, is finally completed, at which time the
2 Secretary shall, pursuant to Federal Reclamation law, upon request of the Contractor, enter into a
3 long-term renewal contract for a period of twenty-five (25) Years; and may thereafter renew such
4 long-term renewal contracts for successive periods not to exceed twenty-five (25) Years each; and

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

7 WHEREAS, the United States is willing to renew the Existing Interim Renewal
8 Contract pursuant to section 3404(c)(1) of the CVPIA on the terms and conditions set forth
9 below.

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

12 DEFINITIONS

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

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

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

20 (c) "Contractor's Boundaries" shall mean the area to which the Contractor is
21 permitted to provide Project Water under this interim renewal contract identified in

1 Exhibit "A", which area and exhibit may be revised without amending this contract if
2 such revisions are acceptable to the Contracting Officer;

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

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

8 (f) "Eligible Lands" shall mean all lands to which Irrigation Water may be
9 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12,
10 1982 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

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

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

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

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

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

5 (l) "M&I Water" shall mean water made available from the Project other than
6 Irrigation Water. M&I Water shall include water used for purposes such as the watering
7 of landscaping or pasture for animals (e.g., horses) which are kept for personal enjoyment
8 or water delivered to landholdings operated in units of less than five (5) acres unless the
9 Contractor establishes to the satisfaction of the Contracting Officer that the use of water
10 delivered to any such landholding is a use described in subdivision (j) of this Article;

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

13 (n) "Operating Non-Federal Entity" shall mean a Non-Federal entity which
14 has the obligation to operate and maintain all or a portion of the Canal Facilities pursuant
15 to an agreement with the United States;

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

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

1 (q) "Rates" shall mean the payments determined annually by the Contracting
2 Officer in accordance with the then current applicable water ratesetting policies for the
3 Project;

4 (r) "Secretary" or "Contracting Officer" shall mean the Secretary of the
5 United States Department of the Interior or his duly authorized representative;

6 (s) "Year" shall mean the period from and including March 1 of each
7 Calendar Year through the last day of February of the following Calendar Year.

8 TERM OF CONTRACT - RIGHT TO USE OF WATER

9 2. (a) This interim renewal contract shall be effective from March 1, 2001 and
10 shall remain in effect through February 28, 2002, and thereafter will be renewed as described in
11 this article. Except as provided in subdivision (b) of this Article, until completion of all
12 appropriate environmental review, and provided that the Contractor has complied with all the
13 terms and conditions of the interim renewal contract in effect for the period immediately
14 preceding the requested successive interim renewal contract, this interim renewal contract will be
15 renewed, upon request of the Contractor, for successive interim periods each of which shall be no
16 more than two (2) Years in length. Also, except as provided in subdivision (b) of this Article, in
17 order to promote orderly and cost effective contract administration, the terms and conditions in
18 subsequent interim renewal contracts shall be identical to the terms and conditions in the interim
19 renewal contract immediately preceding the subsequent interim renewal contract: Provided,
20 however, That each party preserves the right to propose modification(s) in any interim renewal
21 contract other than those described in subdivision (b) of this Article, in which case the parties

1 shall negotiate in good faith appropriate modification(s) to be included in any successive interim
2 renewal contracts. Said modification(s) of each successive interim renewal contract shall be
3 agreed upon within a reasonable time prior to the expiration of the then existing interim renewal
4 contract. Nothing in this Article shall in any way alter the obligation that, upon final completion
5 of the PEIS and any necessary supplemental environmental documentation, the Secretary shall,
6 pursuant to Federal Reclamation law, upon request of the Contractor, enter into a long-term
7 renewal contract for a period of twenty-five (25) Years and may thereafter renew such long-term
8 renewal contracts for successive periods not to exceed twenty-five (25) Years each. The
9 Contractor asserts that Contract No. 7-07-20-W0056 and existing law go beyond the preceding
10 sentence to give it enforceable rights to successive long-term renewal contracts. The Contracting
11 Officer disagrees with that assertion. The parties agree that this interim renewal contract
12 preserves the rights and positions of the parties and that the omission of language in this interim
13 renewal contract setting out the rights asserted by the Contractor to successive renewals is not
14 intended to be, nor shall it be interpreted as, a waiver of any such rights to the extent any such
15 rights are later determined to exist by a court of competent jurisdiction or by mutual agreement of
16 the parties. If a court of competent jurisdiction or the parties by mutual agreement determine that
17 incorporation of such language in this interim renewal contract is necessary to preserve such
18 rights, this interim renewal contract shall be construed as incorporating such language as though
19 fully set forth herein as of the effective date hereof.

20 (b) The parties anticipate that they will engage in good faith negotiations
21 intended to permit the execution of a twenty-five (25) Year long-term renewal contract

1 contemplated by Section 3404 (c) of the CVPIA, hereinafter referred to as a “long-term renewal
2 contract”, by the end of the term hereof. The parties recognize the possibility that this schedule
3 may not be met. Accordingly:

4 (1) In the event (i) the Contractor and Contracting Officer have
5 reached agreement on the terms of the Contractor’s long-term renewal contract or (ii) the
6 Contractor and Contracting Officer have not completed the negotiations on the Contractor’s
7 long-term renewal contract, believe that further negotiations on that contract would be beneficial,
8 and mutually commit to continue to negotiate to seek to reach agreement, but (iii) all
9 environmental documentation required to allow execution of the Contractor’s long-term renewal
10 contract by both parties has not been completed in time to allow execution of the Contractor’s
11 long-term renewal contract by November 30, 2001, then (iv) the parties will expeditiously
12 complete the environmental documentation required of each of them in order to execute the
13 Contractor’s long-term renewal contract at the earliest practicable date. In addition, the
14 Contractor’s then current interim renewal contract will be renewed without change upon the
15 request of either party through the agreed-upon effective date of the Contractor’s long-term
16 renewal contract or, in the absence of agreement on the terms of the Contractor’s long-term
17 renewal contract, through the succeeding February 28.

18 (2) Provided that this interim renewal contract is not subject to
19 renewal under the terms described in subdivision (1) of this Article, if a party determines that the
20 parties have reached an impasse which they have been unable to resolve and which precludes
21 agreement on the long-term renewal contract, that party may notify the other that it has concluded

1 that there is no reasonable likelihood of reaching agreement on the terms of a long-term renewal
2 contract. In the event of such notice, the parties will immediately agree to a schedule and process
3 for negotiating the terms (other than any terms that would impair continuity of water supply or
4 continuity of contract) of and executing an interim renewal contract; provided that neither party
5 will propose for inclusion in the interim renewal contract any provision not previously included
6 in an existing interim renewal contract which it had previously proposed for inclusion in the
7 long-term renewal contract and which was the subject of an impasse in the long-term renewal
8 contract negotiations. The schedule will provide for completion of the negotiations of the terms
9 of that contract by February 1, 2002, and for execution of the contract on or about February 15,
10 2002. The parties each acknowledge the right of either party to seek judicial relief in connection
11 with any impasse reached in connection with negotiation of the long-term renewal contract
12 and/or an interim renewal contract that would become effective on or after February 28, 2002.

13 (c) The parties acknowledge that the Contractor asserts that it is entitled as a
14 matter of law to an interim renewal contract of longer duration than twelve (12) months, and that
15 the Contracting Officer asserts that it is under no obligation to provide the Contractor with an
16 interim renewal contract of any particular duration. Accordingly, the parties further acknowledge
17 that (i) the foregoing process represents a mutual accommodation to facilitate their joint desire to
18 proceed with the development of a long-term renewal contract in an expeditious and orderly
19 manner, (ii) they each preserve their respective rights and positions relative to the entitlement of
20 the Contractor to subsequent interim renewal contracts should they become necessary, and the
21 terms thereof, and (iii) their agreement to the process and interim renewal contract terms

1 described above is in no way intended to be, nor will it be interpreted as, a waiver of any such
2 rights or positions, all of which are and will be expressly preserved.

3 (d) The omission of language in this interim renewal contract providing for
4 conversion of this interim renewal contract or any subsequent renewals thereof to a repayment
5 contract, pursuant to the Act of July 2, 1956 (70 Stat. 483), shall not prejudice the Contractor's
6 right to assert a right to have such language included in subsequent renewals of this interim

1 renewal contract or to exercise such conversion, all as provided by law, or to negotiate the
2 language regarding such conversion to be included in subsequent renewal contracts.

3 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

4 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and
5 consistent with applicable State water rights, permits and licenses, the Contractor is entitled to,
6 and the Contracting Officer shall be obligated to make available to the Contractor up to 2,100
7 acre-feet of Project Water for irrigation and/or municipal and industrial purposes during the term
8 of this interim renewal contract. The quantity of Project Water delivered to the Contractor in
9 accordance with this Article 3(a) in any Year shall be scheduled and paid for pursuant to the
10 provisions of Articles 4 and 7 hereof, and shall not exceed the quantity of Project Water the
11 Contractor intends to put to reasonable beneficial use within the Contractor's Boundaries or sold,
12 transferred, or exchanged pursuant to Article 9 during the term of this interim renewal contract.

13 (b) The Contractor shall utilize the Project Water made available to it
14 pursuant to this interim renewal contract in accordance with all applicable requirements of any
15 Biological Opinion addressing the execution of this interim renewal contract developed
16 pursuant to Section 7 of the Endangered Species Act of 1973 as amended, and in accordance

1 with environmental documentation as may be required for specific activities, including
2 conversion of Irrigation Water to M&I Water.

3 (c) The Contractor shall make reasonable and beneficial use of Project Water
4 or other water furnished pursuant to this interim renewal contract.

5 (d) If the Contracting Officer determines that Project Water, or other water
6 available to the Project, can be made available to the Contractor in addition to the quantity of
7 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
8 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any
9 quantity of such water, the Contracting Officer shall make such water available to the Contractor
10 in accordance with applicable statutes, regulations, guidelines and policies.

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

17 (f) The Contractor's right pursuant to Federal Reclamation law and applicable
18 State law to the beneficial use of water furnished pursuant to this interim renewal contract, any
19 subsequent interim renewal contract and, as described in Article 2(a), any long-term renewal
20 contract, shall not be disturbed so long as the Contractor shall fulfill all of its obligations under
21 this interim renewal contract and any such renewal thereof. Nothing in the preceding sentence

1 shall affect the Contracting Officer's ability to impose shortages under Article 12(b) of this
2 interim renewal contract and the applicable provisions of any such renewal thereof.

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

7 TIME FOR DELIVERY OF WATER

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

18 (b) On or before each March 1, the Contractor shall submit to the Contracting
19 Officer and at such other times as necessary, a written schedule, satisfactory to the Contracting
20 Officer, showing the times, and quantities of Project Water to be delivered by the United States

1 to the Contractor during the upcoming Year pursuant to this interim renewal contract, and,
2 consistent with subdivision (a) of Article 3 herein.

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

8 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

9 5. (a) The Project Water to be furnished to the Contractor pursuant to this
10 interim renewal contract shall be made available to the Contractor at approved turnouts on the
11 Canal Facilities and any additional point or points of delivery either on Project facilities or
12 another location or locations mutually agreed to in writing by the Contracting Officer and the
13 Contractor. The United States shall furnish such power as may be necessary to pump Project
14 Water at the existing Tehama-Colusa Canal side pumping plants and at existing relift stations at
15 heads and elevations sufficient to irrigate by gravity all areas within the Contractor's Boundaries
16 below elevation 380 (MSL).

17 (b) The Contracting Officer shall make all reasonable efforts to maintain
18 sufficient flows and levels of water in the Canal Facilities to furnish Project Water to the
19 Contractor at the full design capacity of the turnout(s) established as a delivery point(s) pursuant
20 to subdivision (a) of this Article. The parties acknowledge that it may be necessary from time to
21 time to shut down the canal for maintenance or emergencies. Except in the case of emergency,

1 the Contracting Officer shall consult with the Contractor to schedule the shut down at such times
2 and for such duration as will allow for the work to be accomplished completely and efficiently,
3 and with a minimum of disruption of water service to the Contractor. In this regard, shut downs
4 will, to the extent reasonably possible, be limited to the months of December and January.

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

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

18 (e) Neither the United States nor any Operating Non-Federal Entity shall be
19 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water
20 made available to the Contractor pursuant to this interim renewal contract beyond the delivery
21 points specified in subdivision (a) of this Article. The Contractor shall indemnify the United

1 States its officers, employees, agents and assigns on account of damage or claim of damage of
2 any nature whatsoever for which there is legal responsibility, including property damage,
3 personal injury or death arising out of or connected with the control, carriage, handling, use,
4 disposal, or distribution of such Project Water beyond such delivery points, except for any
5 damage or claim arising out of (i) acts performed by the United States or any of its officers,
6 employees, agents or assigns, including any responsible Operating Non-Federal Entity, with the
7 intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the
8 United States or any of its officers, employees, agents, or assigns, including any responsible
9 Operating Non-Federal Entity, or (iii) negligence of the United States or any of its officers,
10 employees, agents or assigns including any responsible Operating Non-Federal Entity.

11 MEASUREMENT OF WATER WITHIN THE DISTRICT

12 6. (a) The Contractor shall ensure that, unless the Contractor has established an
13 alternative measurement program satisfactory to the Contracting Officer, all surface water
14 delivered for irrigation purposes within the Contractor's Boundaries is measured at each
15 agricultural turnout and such water delivered for municipal and industrial purposes is measured
16 at each municipal and industrial service connection. All water measuring devices or water
17 measuring methods of comparable effectiveness must be acceptable to the Contracting Officer.
18 The Contractor shall be responsible for installing, operating, and maintaining and repairing all
19 such measuring devices and implementing all such water measuring methods at no cost to the
20 United States. The Contractor shall use the information obtained from such water measuring
21 devices or water measuring methods to ensure proper management of the water; to bill water

1 users for water delivered by the Contractor; and, if applicable, to record water delivered for
2 municipal and industrial purposes by customer class as defined in its water conservation plan.
3 Nothing herein contained, however, shall preclude the Contractor from establishing and
4 collecting any charges, assessments or other revenues authorized by California law. The
5 Contractor shall include a summary of its annual surface water deliveries in the annual report
6 described in Article 25(d).

7 (b) Omitted

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

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

14 (e) The Contractor shall be responsible for ascertaining and reporting to the
15 Contracting Officer whether Delivered Water is put to use as Irrigation Water or M&I Water,
16 irrespective of the size of the landholding where the water is used, so that the Contracting Officer
17 can apply the appropriate Rates and Charges.

18 RATES AND METHOD OF PAYMENT FOR WATER

19 7. (a) The Contractor shall pay the United States in monthly payments as
20 provided in this Article for the quantities of Delivered Water furnished to the Contractor pursuant
21 to this interim renewal contract. Such payments shall consist of the applicable Rates and

1 Charges determined annually in accordance with applicable Federal law and associated
2 regulations. The Rates and Charges applicable upon execution of this interim renewal contract
3 are set forth in Exhibit "B."

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

6 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
7 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
8 the period October 1, of the current Calendar Year, through September 30, of the following
9 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such
10 calculations. On or before September 15, of each Calendar Year, the Contracting Officer shall
11 notify the Contractor in writing of the Charges to be in effect during the period October 1, of the
12 current Calendar Year, through September 30, of the following Calendar Year, and such
13 notification shall revise Exhibit "B."

14 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
15 shall make available to the Contractor an estimate of the Rates of payment for the following Year
16 and the computations and cost allocations upon which those Rates are based. The Contractor
17 shall be allowed not less than two months to review and comment on such computations and cost
18 allocations. By December 31 of each Calendar Year, the Contracting Officer shall provide the
19 Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall
20 revise Exhibit "B."

1 (c) At the time the Contractor submits the initial schedule for the delivery of
2 Project Water for each Year pursuant to Article 4(b) of this interim renewal contract, the
3 Contractor shall pay the United States the total amount payable pursuant to the applicable Rate(s)
4 for all Project Water scheduled to be delivered pursuant to this interim renewal contract during
5 the first two (2) calendar months of the Year. Before the end of the first month or part thereof of
6 the Year, and before the end of each calendar month thereafter, the Contractor shall pay pursuant
7 to the applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this interim
8 renewal contract during the second month immediately following. Adjustments between the
9 payments for the scheduled amount of Project Water and the appropriate payments for quantities
10 of Delivered Water furnished pursuant to this interim renewal contract each month shall be made
11 before the end of the following month: Provided, That any revised schedule submitted by the
12 Contractor pursuant to Article 4 which increases the amount of Project Water to be delivered
13 pursuant to this interim renewal contract during any month shall be accompanied with
14 appropriate payment for Rates to assure that Project Water is not furnished to the Contractor in
15 advance of such payment. In any month in which the quantity of Delivered Water furnished to
16 the Contractor pursuant to this interim renewal contract equals the quantity of Project Water
17 scheduled and paid for by the Contractor, no additional Project Water shall be made available to
18 the Contractor unless and until payment of Rates for such additional Project Water is made.
19 Final adjustment between the payments of Rates for the Project Water scheduled and the
20 quantities of Delivered Water furnished during each Year pursuant to its contract shall be made
21 as soon as possible but no later than April 30th of the following Year.

1 (d) The Contractor shall pay all Charges owing for Delivered Water before the
2 end of the month following the month of delivery. Such amounts shall be consistent with the
3 quantities of Irrigation Water and M&I Water shown in the United States' water delivery report
4 for the subject month. The water delivery report shall be regarded by the Contractor as a bill for
5 the payment of appropriate Charges. Any monthly adjustment for overpayment or underpayment
6 of Charges shall be accomplished through the adjustment of Charges due to the United States in
7 the next month. By March 31, of each Year, the Contractor shall make any additional payment
8 of Charges it is obligated to make for Delivered Water furnished to the Contractor pursuant to its
9 contract for the previous Year. The amount to be paid for past due payment of Charges shall be
10 computed pursuant to Article 19 of this interim renewal contract.

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

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

16 (g) Revenues received by the United States pursuant to this interim renewal
17 contract shall be allocated and applied in accordance with Federal Reclamation law, including
18 but not limited to, subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and
19 subsection (f) of Section 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of
20 Section 3407 of the CVPIA, and the associated regulations, including but not limited to, the

1 Project Irrigation Water ratesetting policy and the Project M&I ratesetting policy promulgated
2 pursuant to the Administrative Procedures Act.

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

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

17 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

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

21 TRANSFERS OR EXCHANGES OF WATER

1 9. (a) The right to Project Water provided for in this interim renewal contract
2 may be sold, transferred, or exchanged to others for beneficial uses within the State of California
3 if such sale, transfer or exchange is authorized by applicable Federal laws, State laws, and
4 applicable guidelines or regulations then in effect. The right to sell, transfer or exchange Project
5 Water shall include, and the Contracting Officer shall apply this Article in a manner that does not
6 impede or restrict, lawful short-term sales, transfers, or exchanges of the type the Contractor
7 historically carried out with approval of the Contracting Officer under Contract No. 7-07-20-
8 W0056. No sale, transfer or exchange of the right to Project Water under this interim renewal
9 contract may take place without the prior written approval of the Contracting Officer.

10 (b) For the purpose of determining whether section 3405 (a)(1)(M) of the
11 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting
12 Officer acknowledges that the Contractor is within a county, watershed, or other area of origin, as
13 those terms are utilized under California law, of water that constitutes the natural flow of the
14 Sacramento River and its tributaries above the confluence of the American and Sacramento
15 Rivers.

16
17
18 APPLICATION OF PAYMENTS AND ADJUSTMENTS

19 10. (a) The amount of any overpayment by the Contractor shall be applied first to
20 any accrued indebtedness arising out of this interim renewal contract then due and payable by the
21 Contractor. Any amount of such overpayment then remaining shall, at the option of the

1 Contractor, be refunded to the Contractor or credited upon amounts to become due to the United
2 States from the Contractor under the provisions hereof in the following months. With respect to
3 overpayment, such adjustment shall constitute the sole remedy of the Contractor or anyone
4 having or claiming to have the right to the use of any of the water supply provided for herein.

5 (b) All advances for miscellaneous costs incurred for work requested by the
6 Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has
7 been completed. If the advances exceed the actual costs incurred, the difference will be refunded
8 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
9 billed for the additional costs pursuant to Article 24.

10 TEMPORARY REDUCTIONS--RETURN FLOWS

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

15 (b) The United States may temporarily discontinue or reduce the quantity of
16 Project Water to be delivered to the Contractor as herein provided for the purposes of
17 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or
18 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as
19 feasible the Contracting Officer will give the Contractor due notice in advance of such temporary
20 discontinuance or reduction, except in case of emergency, in which case no notice need be given:
21 Provided, That the United States shall use its best efforts to avoid any discontinuance or

1 reduction in such service. Upon resumption of service after such reduction or discontinuance, and
2 if requested by the Contractor, the United States will, if possible, deliver the quantity of Project
3 Water which would have been delivered hereunder in the absence of such discontinuance or
4 reduction: Provided further, That with respect to any quantity of Project Water not delivered
5 after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment
6 obligations for such quantity of Project Water.

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

13 WATER SHORTAGE AND APPORTIONMENT

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

19 (b) If there is a reduction in the total water supply available to the Contractor
20 during any Year because of errors in physical operations of the Project, drought, other physical
21 causes beyond the control of the Contracting Officer or actions taken by the Contracting Officer

1 to meet legal obligations, no liability shall accrue against the United States or any of its officers,
2 agents, or employees for any damages, direct or indirect, arising therefrom, so long as actions
3 based upon the opinions or determinations of the Contracting Officer are consistent with the
4 standards in Article 18.

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

11 UNAVOIDABLE GROUNDWATER PERCOLATION

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

16
17 COMPLIANCE WITH FEDERAL RECLAMATION LAW

18 14. This interim renewal contract shall be implemented in accordance with all
19 applicable provisions of Federal Reclamation law, as amended and supplemented.

20 WATER AND AIR POLLUTION CONTROL

1 (c) When a partial payment on a delinquent account is received, the amount
2 received shall be applied, first to the penalty, second to the administrative charges, third to the
3 accrued interest, and finally to the overdue payment.
4

5 EQUAL OPPORTUNITY
6

7 20. During the performance of this contract, the Contractor agrees as follows:
8

9 (1) The Contractor will not discriminate against any employee or applicant for
10 employment because of race, color, religion, sex, or national origin. The Contractor will
11 take affirmative action to ensure that applicants are employed, and that employees are
12 treated during employment, without regard to their race, color, religion, sex, or national
13 origin. Such action shall include, but not be limited to, the following: Employment,
14 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or
15 termination, rates of payment or other forms of compensation; and selection for training,
16 including apprenticeship. The Contractor agrees to post in conspicuous places, available
17 to employees and applicants for employment, notices to be provided by the Contracting
18 Officer setting forth the provisions of this nondiscrimination clause.
19

20 (2) The Contractor will, in all solicitations or advertisements for employees
21 placed by or on behalf of the Contractor, state that all qualified applicants will receive
22 consideration for employment without discrimination because of race, color, religion, sex,
23 or national origin.
24

25 (3) The Contractor will send to each labor union or representative of workers
26 with which it has a collective bargaining agreement or other contract or understanding, a
27 notice, to be provided by the Contracting Officer, advising the said labor union or
28 workers' representative of the Contractor's commitments under Section 202 of Executive
29 Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous
30 places available to employees and applicants for employment.
31

32 (4) The Contractor will comply with all provisions of Executive Order No.
33 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant
34 orders of the Secretary of Labor.
35

36 (5) The Contractor will furnish all information and reports required by said
37 amended Executive Order and by the rules, regulations, and orders of the Secretary of
38 Labor, or pursuant thereto, and will permit access to its books, records, and accounts by
39 the Contracting Officer and the Secretary of Labor for purposes of investigation to
40 ascertain compliance with such rules, regulations, and orders.
41

1 (6) In the event of the Contractor's noncompliance with the nondiscrimination
2 clauses of this contract or with any of the said rules, regulations, or orders, this contract
3 may be canceled, terminated, or suspended, in whole or in part, and the Contractor may
4 be declared ineligible for further Government contracts in accordance with procedures
5 authorized in said amended Executive Order, and such other sanctions may be imposed
6 and remedies invoked as provided in said Executive Order, or by rule, regulation, or order
7 of the Secretary of Labor, or as otherwise provided by law.
8

9 (7) The Contractor will include the provisions of paragraphs (1) through (7) in
10 every subcontract or purchase order unless exempted by the rules, regulations, or orders
11 of the Secretary of Labor issued pursuant to Section 204 of said amended Executive
12 Order, so that such provisions will be binding upon each subcontractor or vendor. The
13 Contractor will take such action with respect to any subcontract or purchase order as may
14 be directed by the Secretary of Labor as a means of enforcing such provisions, including
15 sanctions for noncompliance: Provided, however, That in the event the Contractor
16 becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a
17 result of such direction, the Contractor may request the United States to enter into such
18 litigation to protect the interests of the United States.
19

20 GENERAL OBLIGATION--BENEFITS
21 CONDITIONED UPON PAYMENT
22

23 21. (a) The obligation of the Contractor to pay the United States as provided in
24 this contract is a general obligation of the Contractor notwithstanding the manner in which the
25 obligation may be distributed among the Contractor's water users and notwithstanding the default
26 of individual water users in their obligations to the Contractor.
27

28 (b) The payment of charges becoming due hereunder is a condition precedent
29 to receiving benefits under this contract. The United States shall not make water available to the
30 Contractor through project facilities during any period in which the Contractor may be in arrears
31 in the advance payment of water rates due the United States. The Contractor shall not furnish
32 water made available pursuant to this contract for lands or parties which are in arrears in the
33 advance payment of water rates levied or established by the Contractor.
34

35 COMPLIANCE WITH CIVIL RIGHTS LAWS
36 AND REGULATIONS
37

38 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
39 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
40 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights

1 laws, as well as with their respective implementing regulations and guidelines imposed by the
2 U.S. Department of the Interior and/or Bureau of Reclamation.

3
4 (b) These statutes require that no person in the United States shall, on the
5 grounds of race, color, national origin, handicap, or age, be excluded from participation in, be
6 denied the benefits of, or be otherwise subjected to discrimination under any program or activity
7 receiving financial assistance from the Bureau of Reclamation. By executing this contract, the
8 Contractor agrees to immediately take any measures necessary to implement this obligation,
9 including permitting officials of the United States to inspect premises, programs, and documents.

10
11 (c) The Contractor makes this agreement in consideration of and for the
12 purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other
13 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
14 Reclamation, including installment payments after such date on account of arrangements for
15 Federal financial assistance which were approved before such date. The Contractor recognizes
16 and agrees that such Federal assistance will be extended in reliance on the representations and
17 agreements made in this Article, and that the United States reserves the right to seek judicial
18 enforcement thereof.

19
20 PRIVACY ACT COMPLIANCE

21
22 23. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a)
23 (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et
24 seq.) in maintaining landholder acreage certification and reporting records, required to be
25 submitted to the Contractor for compliance with sections 206 and 228 of the Reclamation
26 Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.10.

27
28 (b) With respect to the application and administration of the criminal penalty
29 provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees
30 responsible for maintaining the certification and reporting records referenced in (a) above are
31 considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

32
33 (c) The Contracting Officer or a designated representative shall provide the
34 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau
35 of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--
36 Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of
37 information contained in the landholder's certification and reporting records.

38
39 (d) The Contracting Officer shall designate a full-time employee of the Bureau
40 of Reclamation to be the System Manager who shall be responsible for making decisions on

1 denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The
2 Contractor is authorized to grant requests by individuals for access to their own records.
3

4 (e) The Contractor shall forward promptly to the System Manager each
5 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed
6 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System
7 Manager with information and records necessary to prepare an appropriate response to the
8 requester. These requirements do not apply to individuals seeking access to their own
9 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.10, unless the
10 requester elects to cite the Privacy Act as a basis for the request.
11

12 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

13
14 24. In addition to all other payments to be made by the Contractor pursuant to this
15 contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill
16 and detailed statement submitted by the Contracting Officer to the Contractor for such specific
17 items of direct cost incurred by the United States for work requested by the Contractor associated
18 with this interim renewal contract plus a percentage of such direct costs for administrative and
19 general overhead in accordance with applicable Bureau of Reclamation policy and procedures.
20 All such amounts referred to in this Article shall not exceed the amount agreed to in writing in
21 advance by the Contractor. This Article shall not apply to costs for routine contract
22 administration.

23 WATER CONSERVATION

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

1 and efficiency criteria established under Federal law. The water conservation program shall
2 contain definite water conservation objectives, appropriate economically feasible water
3 conservation measures, and time schedules for meeting those objectives.

4 (b) Should the combined amount of M&I Water delivered pursuant to
5 subdivision (a) of Article 3 during the term of this interim renewal contract equal or exceed
6 2,000 acre-feet, the Contractor shall implement the Best Management Practices identified by and
7 the time frames issued by the California Urban Water Conservation Council unless any such
8 practice is determined by the Contracting Officer to be inappropriate for the Contractor.

9 (c) As part of the water conservation program, the Contractor shall develop
10 and be implementing a tiered block water pricing program that promotes conservation and the
11 efficient management of Project Water during the term of this contract. Such pricing program for
12 Project Water shall take into account all relevant circumstances, including without limitation,
13 water shortages imposed under this interim renewal contract and the availability and cost of the
14 Contractor's and individual water user's non-Project alternative sources of supply, including
15 ground water and other non-Project water supplies, so that the Contractor's pricing structure
16 provides incentives for conservation and the efficient management of overall water supply
17 available to water users served by the Contractor. Provided, That no such tiered block water
18 pricing program need be implemented by the Contractor if the Contracting Officer determines,
19 based on information provided by the Contractor, that (i) such a pricing structure will not result
20 in significant conservation of water available for use within the Contractor's service area,
21 including ground water or (ii) other pricing program, conservation or management measures are

1 more appropriate and/or will result in comparable or better conservation of the water supplies
2 available within the Contractor's boundaries. Provided further, If the Contractor fails to, or elects
3 not to, comply with this subdivision of Article 25, then any subsequent interim renewal contract
4 shall contain a tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of
5 the CVPIA.

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

9 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

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

18 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

19 27. (a) The operation and maintenance of a portion of the Canal Facilities, and
20 responsibility for funding the costs of such operation and maintenance, has been transferred to an
21 Operating-Non-Federal Entity by separate agreement between the United States and the

1 Operating Non-Federal Entity. That separate agreement shall not interfere with the rights or
2 obligations of the Contractor or the United States hereunder.

3 (b) Since the Contracting Officer has notified the Contractor in writing that
4 the operation and maintenance of a portion of the Canal Facilities has been transferred to an
5 Operating Non-Federal Entity, the Contractor shall pay directly to such Operating Non-Federal
6 Entity all rates, charges, or assessments of any kind, including any assessment for reserve funds,
7 which the Operating Non-Federal Entity determines, sets, or establishes for the operation and
8 maintenance of the portion of the Canal Facilities operated and maintained by the Operating
9 Non-Federal Entity, all in compliance with all provisions of Article 7 hereof. The Contractor
10 shall also submit to the Non-Federal Entity, as fiscal agent for the Secretary, that portion of the
11 Contractor's obligation to the United States for its allocated share of the Project construction
12 costs and its allocated share of the remaining operation and maintenance costs for the Project.

13 (c) Because of the transfer of operation and maintenance of the Canal
14 Facilities to an Operating Non-Federal Entity, the Contracting Officer shall adjust accordingly
15 the portions of the Rates for water under this Contract representing operation and maintenance
16 costs of the Canal Facilities that the Operating Non-Federal Entity assesses and collects directly.

17 (d) In the event the operation and maintenance of the portion of the Canal
18 Facilities transferred to the Operating Non-Federal Entity is reassumed by the United States
19 during the term of this contract, the Contracting Officer shall so notify the Contractor, in writing,
20 and present to the Contractor a revised Exhibit B which shall include the portion of the Rates for
21 water under this contract representing the operation and maintenance costs of the portion of the

1 Canal Facilities which has been reassumed. The Contractor shall thereafter, and in the absence
2 of written notification from the Contracting Officer to the contrary, pay the Rates specified in the
3 revised Exhibit B directly to the United States, in compliance with Article 7 herein.

4 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

5 28. The expenditure or advance of any money or the performance of any obligation of
6 the United States under this contract shall be contingent upon appropriation or allotment of
7 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
8 obligations under this contract. No liability shall accrue to the United States in case funds are not
9 appropriated or allotted.

10
11 BOOKS RECORDS AND REPORTS

12
13 29. The Contractor shall establish and maintain accounts and other books and records
14 pertaining to administration of the terms and conditions of this contract, including: the
15 Contractor's financial transactions, water supply data, and Project land and right-of-way
16 agreements; the water users' land-use (crop census), landownership, land-leasing and water use
17 data; and other matters that the Contracting Officer may require. Reports thereon shall be
18 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
19 Officer may require. Subject to applicable Federal laws and regulations, each party to this
20 contract shall have the right during office hours to examine and make copies of the other party's
21 books and records relating to matters covered by this contract.

22
23 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

24
25 30. (a) The provisions of this contract shall apply to and bind the successors and
26 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest
27 therein shall be valid until approved in writing by the Contracting Officer.

28
29 (b) The assignment of any right or interest in this interim renewal contract by
30 either party shall not interfere with the rights or obligations of the other party to this interim
31 renewal contract absent the written concurrence of said other party.

32 SEVERABILITY

1 IN WITNESS WHEREOF, the parties hereto have executed this interim renewal contract as of
2 the day and year first above written.
3
4
5

6 THE UNITED STATES OF AMERICA

KIRKWOOD WATER DISTRICT

7
8
9
10
11 By: /s/ Lowell F. Ploss
12 For Regional Director
13 Mid-Pacific Region
14 Bureau of Reclamation
15

By: /s/ Dennis Bentz
President

16
17 Attest: /s/ Kay Bentz
18 Secretary
19

20 (SEAL)

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY

/s/ James E. Turner

OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR