

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

RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS
PROVIDING FOR PROJECT WATER SERVICE

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6 DEPARTMENT OF THE INTERIOR
7 BUREAU OF RECLAMATION
8 Central Valley Project, California

9 RENEWAL CONTRACT BETWEEN THE UNITED STATES
10 AND
11 THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS
12 PROVIDING FOR PROJECT WATER SERVICE

13 THIS CONTRACT, made this 24th day of April, 2003, in
14 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
15 supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844),
16 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
17 July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1261), as
18 amended and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
19 hereinafter referred to as the Federal Reclamation law, between THE UNITED STATES OF
20 AMERICA, hereinafter referred to as the United States, and THE UNITED STATES
21 DEPARTMENT OF VETERANS AFFAIRS, hereinafter referred to as the Contractor;

22 WITNESSETH, That:

23 EXPLANATORY RECITALS

24 WHEREAS, the United States has constructed and is operating the Central Valley
25 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 WHEREAS, the Section 3404(b) of the October 30, 1992 (106 Stat. 1261),
31 provides for the delivery in perpetuity of water from the Project in quantities sufficient, but not to
32 exceed 850 acre-feet per year, to meet the needs of the San Joaquin Valley National Cemetery,
33 California; and

34 WHEREAS, the Contractor and the United States entered into Contract
35 No. 3-07-20-W1124 (Existing Contract), which established the terms for the delivery to the
36 Contractor of Project Water from March 1, 1993, through February 28, 2003; and

37 WHEREAS, the United States and the State of California, Department of Water
38 Resources, hereinafter referred to as the State, have entered into an agreement, hereinafter
39 referred to as the CVP-SWP Wheeling Agreement, for the conveyance of Project Water from the
40 Sacramento-San Joaquin Delta to the point(s) at which the Contractor is willing to take delivery
41 of Project Water;

42 WHEREAS, the Contractor requested renewal of the Existing Contract pursuant
43 to Federal Reclamation law and the laws of the State of California for water service from the
44 Central Valley Project; and

45 WHEREAS, a long-term renewal contract required environmental review
46 necessary to execute a long-term renewal contract has not been completed, and the Contractor
47 has requested a renewal contract pursuant to Article 2 of the Existing Contract; and

48 WHEREAS, the United States has determined that the Contractor has to date
49 fulfilled all of its obligations under the Existing Contract; and

50 WHEREAS, the Contracting Officer has determined that the Contractor has the
51 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable
52 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
53 renewal contract; and

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

59 WHEREAS, in order to continue water service provided under Project Water
60 service contracts that expire prior to the completion of the PEIS, the United States intends to
61 execute this contract for a period of 1 year, until appropriate environmental documentation,
62 including the PEIS, is finally completed, at which time the Secretary shall, pursuant to Federal
63 Reclamation law, upon request of the Contractor, enter into a long-term renewal contract for a
64 period of twenty-five (25) Years; and may thereafter renew such long-term renewal contracts for
65 successive periods not to exceed twenty-five (25) Years each; and

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

DEFINITIONS

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

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

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

(c) "Contractor's Boundaries" shall mean the area to which the Contractor is permitted to provide Project Water under this renewal contract as described in Exhibit "A" attached hereto, which may be modified from time to time in accordance with Article 33 of the Contract without amendment to this renewal contract;

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

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

(f) "Municipal and Industrial (M&I) Water" shall mean water made available from the Project and furnished for uses other than the production of agricultural crops or livestock and domestic uses incidental thereto; and

88 (g) "Project" shall mean the Central Valley Project owned by the United
89 States and operated by the U. S. Department of the Interior, Bureau of Reclamation;

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

94 (i) "Rates" shall mean the payments determined annually by the Contracting
95 Officer in accordance with the then current applicable water ratesetting policies for the
96 Project;

97 (j) "Secretary" or "Contracting Officer" shall mean the Secretary of the
98 United States Department of the Interior or his duly authorized representative;

99 (k) "Year" shall mean the period from and including March 1 of
100 each Calendar Year through the last day of February of the following Calendar Year.

101 TERM OF CONTRACT

102 2. (a) This renewal contract shall be effective from March 1, 2003, and shall
103 remain in effect through February 29, 2004: Provided, That under terms and conditions mutually
104 agreeable to the parties hereto, renewals of this contract may be made for successive periods not
105 to exceed 25 years each.

106 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

107 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and
108 consistent with applicable State water rights, permits, and licenses, the Contractor is entitled

109 to, and the Contracting Officer shall be obligated to make available to the Contractor up to 450
110 acre-feet of Project Water for M&I purposes to be used at the San Joaquin Valley National
111 Cemetery. The quantity of Project Water delivered to the Contractor in accordance with this
112 Article 3(a) in any Year shall be scheduled and paid for pursuant to the provisions of Articles 4
113 and 7 hereof, and shall not exceed the quantity of Project Water the Contractor intends to put to
114 reasonable beneficial use within the Contractor's Boundaries.

115 (b) The Contractor shall utilize the Project Water made available to it pursuant
116 to this renewal contract in accordance with all applicable requirements of any Biological Opinion
117 addressing the execution of this renewal contract developed pursuant to Section 7 of the
118 Endangered Species Act of 1973, as amended, and in accordance with environmental
119 documentation as may be required for specific activities.

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

122 TIME FOR DELIVERY OF WATER

123 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer
124 shall declare the amount of Project Water estimated to be made available to the Contractor
125 pursuant to this renewal contract for the upcoming Year. The declaration will be updated
126 monthly, as necessary, based on current hydrologic conditions. The Contracting Officer shall
127 make available the forecast of Project operations, with relevant supporting information, upon the
128 written request of the Contractor or its representatives. Upon written request of the Contractor,
129 the Contracting Officer shall provide the basis of the estimate which shall include, but not be

130 limited to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of
131 Project reservoirs, projected CVPIA impacts, projected Endangered Species Act, and all other
132 regulatory impacts.

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

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

143 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

144 5. (a) The Project Water to be furnished to the Contractor pursuant to this
145 renewal contract shall be made available to the Contractor at the mileposts identified in Exhibit
146 "B," and any additional point or points of delivery either on Project facilities or another location
147 or locations mutually agreed to in writing by the Contracting Officer and the Contractor.

148 (b) All Project Water made available to the Contractor shall be conveyed to
149 the Contractor through the California Aqueduct pursuant to the CVP-SWP Wheeling Agreement

150 or Project facilities, in accordance with the approved delivery schedules described in Article 4
151 and in accordance with Exhibit “B.”

152 (c) All Project Water delivered to the Contractor pursuant to this renewal
153 contract shall be measured and recorded with equipment furnished, installed, operated, and
154 maintained by the United States or the Contractor at the point(s) of delivery established pursuant
155 to subdivision (a) of this Article. Upon the request of either party to this renewal contract, the
156 Contracting Officer shall investigate the accuracy of such measurements and shall take any
157 necessary steps to adjust any errors appearing therein. The Contractor shall advise the
158 Contracting Officer on or before the 10th calendar day of each month of the quantity of M&I
159 Water taken during the preceding month.

160 (d) The United States shall not be responsible for the control, carriage,
161 handling, use, disposal, or distribution of Project Water made available to the Contractor
162 pursuant to this renewal contract beyond the delivery points specified in subdivision (a) of this
163 Article. The Contractor shall indemnify the United States its officers, employees, agents, and
164 assigns on account of damage or claim of damage of any nature whatsoever for which there is
165 legal responsibility, including property damage, personal injury, or death arising out of or
166 connected with the control, carriage, handling, use, disposal, or distribution of such Project
167 Water beyond such delivery points, except for any damage or claim arising out of (i) acts
168 performed by the United States or any of its officers, employees, agents, or assigns, with the
169 intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the

170 United States or any of its officers, employees, agents, or assigns, or (iii) negligence of the
171 United States or any of its officers, employees, agents, or assigns.

172 MEASUREMENT OF WATER WITHIN THE DISTRICT

173 6. Omitted.

174 RATES AND METHOD OF PAYMENT FOR WATER

175 7. (a) The Contractor shall pay the United States in monthly payments as
176 provided in this Article for the quantities of Delivered Water furnished to the Contractor pursuant
177 to this renewal contract. Such payments shall consist of the applicable Rates and Charges
178 determined annually in accordance with applicable Federal law and associated regulations. The
179 Rates and Charges applicable upon execution of this renewal contract are set forth in Exhibit
180 "C."

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

183 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
184 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
185 the period October 1 of the current Calendar Year, through September 30, of the following
186 Calendar Year, and identify the statutes, regulations, and guidelines used as the basis for such
187 calculations. On or before September 15 of each Calendar Year, the Contracting Officer shall
188 notify the Contractor in writing of the Charges to be in effect during the period October 1 of the
189 current Calendar Year, through September 30 of the following Calendar Year, and such
190 notification shall revise Exhibit "C."

191 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
192 shall make available to the Contractor an estimate of the Rates of payment for the following Year
193 and the computations and cost allocations upon which those Rates are based. The Contractor
194 shall be allowed not less than two (2) months to review and comment on such computations and
195 cost allocations. By December 31 of each Calendar Year, the Contracting Officer shall provide
196 the Contractor with the final Rates to be in effect for the upcoming Year, and such notification
197 shall revise Exhibit "C."

198 (c) At the time the Contractor submits the initial schedule for the delivery of
199 Project Water for each Year pursuant to subdivision (b) of Article 4 of this renewal contract, the
200 Contractor shall pay the United States the total amount payable pursuant to the applicable Rate(s)
201 for all Project Water scheduled to be delivered pursuant to this renewal contract during the first
202 two (2) calendar months of the Year. Before the end of the first month or part thereof of the
203 Year, and before the end of each calendar month thereafter, the Contractor shall pay pursuant to
204 the applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this renewal
205 contract during the second month immediately following. Adjustments between the payments
206 for the scheduled amount of Project Water and the appropriate payments for quantities of
207 Delivered Water furnished pursuant to this renewal contract each month shall be made before the
208 end of the following month: Provided, That any revised schedule submitted by the Contractor
209 pursuant to Article 4 which increases the amount of Project Water to be delivered pursuant to this
210 renewal contract during any month shall be accompanied with appropriate payment for Rates to
211 assure that Project Water is not furnished to the Contractor in advance of such payment. In any

212 month in which the quantity of Delivered Water furnished to the Contractor pursuant to this
213 renewal contract equals the quantity of Project Water scheduled and paid for by the Contractor,
214 no additional Project Water shall be made available to the Contractor unless and until payment of
215 Rates for such additional Project Water is made. Final adjustment between the payments of
216 Rates for the Project Water scheduled and the quantities of Delivered Water furnished during
217 each Year pursuant to its Contract shall be made as soon as possible but no later than April 30th
218 of the following Year.

219 (d) The Contractor shall pay all Charges owing for Delivered Water before the
220 end of the month following the month of delivery. Such amounts shall be consistent with the
221 quantities of M&I Water shown in the United States' water delivery report for the subject month.
222 The water delivery report shall be regarded by the Contractor as a bill for the payment of
223 appropriate Charges. Any monthly adjustment for overpayment or underpayment of Charges
224 shall be accomplished through the adjustment of Charges due to the United States in the next
225 month. By March 31, of each Year, the Contractor shall make any additional payment of
226 Charges it is obligated to make for Delivered Water furnished to the Contractor pursuant to its
227 Contract for the previous Year. The amount to be paid for past due payment of Charges shall be
228 computed pursuant to Article 19 of this renewal contract.

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

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

234 (g) Revenues received by the United States pursuant to this renewal contract
235 shall be allocated and applied in accordance with Federal Reclamation law, including but not
236 limited to subsection (f) of Section 3405, subsection (c)(1) of Section 3406, and subsection
237 (d)(2)(A) of Section 3407 of the CVPIA, and the associated regulations, including but not limited
238 to, the Project M&I ratesetting policy promulgated pursuant to the Administrative Procedures
239 Act.

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

247 (i) The parties acknowledge and agree that the efficient administration of this
248 renewal contract is their mutual goal. Recognizing that experience has demonstrated that
249 mechanisms, policies, and procedures used for establishing Rates and Charges, and/or for making
250 and allocating payments, other than those set forth in this Article would be in the mutual best
251 interest of the parties, it is expressly agreed that the parties may enter into agreements for

252 alternative mechanisms, policies, and procedures for any of those purposes while this renewal
253 contract is in effect without amending this Contract.

254 (j) The Contractor shall pay the cost of State conveyance of Project Water
255 furnished pursuant to this Contract directly to the State upon receipt of the billing(s) by the
256 State.

257 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

258 8. Omitted.

259 TRANSFERS OR EXCHANGES OF WATER

260 9. Omitted.

261 APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

269 (b) All advances for miscellaneous costs incurred for work requested by the
270 Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has
271 been completed. If the advances exceed the actual costs incurred, the difference will be refunded

272 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
273 billed for the additional costs pursuant to Article 24.

274 TEMPORARY REDUCTIONS--RETURN FLOWS

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

279 (b) The United States may temporarily discontinue or reduce the quantity of
280 Project Water to be delivered to the Contractor as herein provided for the purposes of
281 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or
282 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as
283 feasible, the Contracting Officer will give the Contractor due notice in advance of such
284 temporary discontinuance or reduction, except in case of emergency, in which case no notice
285 need be given: Provided, That the United States shall use its best efforts to avoid any
286 discontinuance or reduction in such service. Upon resumption of service after such reduction or
287 discontinuance, and if requested by the Contractor, the United States will, if possible, deliver the
288 quantity of Project Water, which would have been delivered hereunder in the absence of such
289 discontinuance or reduction: Provided further, That with respect to any quantity of Project Water
290 not delivered after a discontinuance or reduction the Contractor shall be relieved of its scheduling
291 and payment obligations for such quantity of Project Water.

292 (c) The United States reserves the right to all seepage and return flow water
293 derived from Project Water delivered to the Contractor hereunder which escapes or is discharged
294 beyond the Contractor's Boundaries: Provided, That this shall not be construed as claiming for
295 the United States any right to seepage or return flow being put to reasonable and beneficial use
296 pursuant to this renewal contract within the Contractor's Boundaries by the Contractor or those
297 claiming by, through, or under the Contractor.

298 WATER SHORTAGE AND APPORTIONMENT

299 12. (a) In its operation of the Project, the Contracting Officer will use all
300 reasonable means to guard against a condition of shortage in the quantity of water to be made
301 available to the Contractor pursuant to this Contract. Insofar as determined by the Contracting
302 Officer to be practicable, the Contracting Officer will, in the event a shortage appears probable,
303 notify the Contractor of such determinations as soon as possible.

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

311 (c) In any Year in which there may occur a shortage for any of the reasons
312 specified in subdivision (b) above, the Contracting Officer shall apportion the available Project

313 Water supply among the Contractor and others entitled, under existing contracts and future
314 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of
315 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the
316 contractual obligations of the United States.

317 UNAVOIDABLE GROUND-WATER PERCOLATION

318 13. Omitted.

319 COMPLIANCE WITH FEDERAL RECLAMATION LAW

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

322 WATER AND AIR POLLUTION CONTROL

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

327 QUALITY OF WATER

328 16. (a) The Contractor shall be responsible for compliance with all applicable
329 State of California and Federal water quality standards applicable to surface and subsurface
330 drainage discharges generated at the San Joaquin Valley National Cemetery.

331 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
332 FROM THE UNITED STATES

333 17. Omitted.

334 OPINIONS AND DETERMINATIONS

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

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

347 CHARGES FOR DELINQUENT PAYMENTS

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

357 (b) The interest charge rate shall be the greater of the rate prescribed quarterly
358 in the Federal Register by the Department of the Treasury for application to overdue payments, or
359 the interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project Act

360 of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and
361 remain fixed for the duration of the delinquent period.

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

365 EQUAL OPPORTUNITY

366 20. During the performance of this renewal contract, the Contractor agrees all Federal
367 statutes and regulations regarding employment and employment discrimination applicable to
368 Federal agencies shall be fully enforced.

369 GENERAL OBLIGATION--BENEFITS
370 CONDITIONED UPON PAYMENT

371 21. (a) The obligation of the Contractor to pay the United States as provided in
372 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
373 obligation may be distributed among the Contractor's water users and notwithstanding the default
374 of individual water users in their obligations to the Contractor.

375 (b) The payment of charges becoming due hereunder is a condition precedent
376 to receiving benefits under this Contract. The United States shall not make water available to the
377 Contractor through project facilities during any period in which the Contractor may be in arrears
378 in the advance payment of water rates due the United States. The Contractor shall not furnish
379 water made available pursuant to this Contract for lands or parties which are in arrears in the
380 advance payment of water rates levied or established by the Contractor.

381 COMPLIANCE WITH CIVIL RIGHTS LAWS
382 AND REGULATIONS

383 22. (a) The Contractor shall comply with all applicable civil rights statutes and
384 implementing regulations.

385 PRIVACY ACT COMPLIANCE

386 23. Omitted.

387 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

408 frames issued by the California Urban Water Conservation Council unless any such practice is
409 determined by the Contracting Officer to be inappropriate for the Contractor.

410 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

411 26. The provisions of this renewal contract shall not be applicable to or affect water or
412 water rights now owned or hereafter acquired by the Contractor or any user of such water within
413 the Contractor's Boundaries from other than the United States by the Contractor. Any such water
414 shall not be considered Project Water under this Contract. In addition, this renewal contract shall
415 not be construed as limiting or curtailing any rights which the Contractor or any water user
416 within the Contractor's Boundaries acquires or has available under any other contract pursuant to
417 the Federal Reclamation law.

418 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

419 27. Omitted.

420 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

421 28. The expenditure or advance of any money or the performance of any obligation of
422 the United States under this Contract shall be contingent upon appropriation or allotment of
423 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
424 obligations under this Contract. No liability shall accrue to the United States in case funds are
425 not appropriated or allotted.

426 BOOKS, RECORDS, AND REPORTS

427 29. The Contractor shall establish and maintain accounts and other books and records
428 pertaining to administration of the terms and conditions of this Contract. Reports thereon shall
429 be furnished to the Contracting Officer in such form and on such date or dates as the Contracting
430 Officer may require. Subject to applicable Federal laws and regulations, each party to this

431 Contract shall have the right during office hours to examine and make copies of the other party's
432 books and records relating to matters covered by this Contract.

433 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

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

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

440 SEVERABILITY

441 31. In the event that an action is brought in a court of competent jurisdiction by a
442 person or entity other than the Contractor challenging the legality or enforceability of a provision
443 included in this Contract and a final court decision is issued holding that such provision is legally
444 invalid or unenforceable and the Contractor has not intervened in that lawsuit in support of the
445 plaintiff(s), the parties to this Contract shall use their best efforts to (i) within thirty (30) days of
446 the date of such final court decision identify by mutual agreement the provisions in this renewal
447 contract which must be revised, and (ii) within three (3) months thereafter promptly agree on the
448 appropriate revision(s). The time periods specified above may be extended by mutual agreement
449 of the parties. Pending the completion of the actions designated above, to the extent it can do so
450 without violating any applicable provisions of law, the United States shall continue to make the
451 quantities of Project Water specified in this Contract available to the Contractor pursuant to the

452 provisions of this Contract that were not found to be legally invalid or unenforceable in the final
453 court decision.

454 OFFICIALS NOT TO BENEFIT

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

458 CHANGES IN CONTRACTOR'S BOUNDARIES

459 33. While this Contract is in effect, no change may be made in the Contractor's
460 boundaries, by inclusion or exclusion of lands, dissolution, consolidation, merger or otherwise,
461 except upon the Contracting Officer's written consent.

462 NOTICES

463 34. Any notice, demand, or request authorized or required by this Contract shall be
464 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
465 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA
466 97321-1813, and on behalf of the United States, when mailed, postage prepaid, or delivered to
467 the Director, Office of Construction Management (401B), National Cemetery Administration,
468 U. S. Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420. The
469 designation of the addressee or the address may be changed by notice given in the same manner
470 as provided in this Article for other notices.

471 IN WITNESS WHEREOF, the parties hereto have executed this renewal

472 contract as of the day and year first above written.

473 APPROVED AS TO LEGAL
FORM AND SUFFICIENCY

/s/ James E. Turner

OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

474

475

476

THE UNITED STATES OF AMERICA

By: /s/ Kirk C. Rodgers

Regional Director, Mid-Pacific Region

Bureau of Reclamation

477

478

U. S. DEPARTMENT OF VETERANS AFFAIRS

479

480

481

482

By: /s/ Robert B. Holbrook

Director, Office of Construction

Management, National Cemetery

Administration

Contract No. 3-07-20-W1124-R

EXHIBIT A
Map of Contractor's Boundaries

Contract No. 3-07-20-W1124-R

EXHIBIT B

United States Department of Veteran Affairs
Contract No. 3-07-20-W1124-IR1

Turnout Location(s):

Reach 2B, DWR Wile Post 66.12 on the California Aqueduct

EXHIBIT C

2003 Water Rates and Charges
United States Department of Veteran Affairs
Contract No. 3-07-20-W1124-IR1

<u>RATE COMPONENTS:</u>	Rates Per Acre-Foot <u>M&I Water</u>
Capital Rates:	\$ 16.84
O&M Rates:	
Water Marketing	3.68
Storage	5.78
Deficit Rates:	
Interest Bearing	<u>7.07</u>
TOTAL COST-OF-SERVICE RATES:	\$ 33.96

CHARGES UNDER P.L. 102-575

Restoration Payments (3407(d)(2)(A))* \$ 15.38

* Restoration Fund charges under P.L. 102-575 are on a fiscal year basis (10/1-9/30).

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Contract No. 3-07-20-W1124-R