

SUBCONTRACT BETWEEN THE COUNTY OF COLUSA
AND THE HOLTHOUSE WATER DISTRICT
PROVIDING FOR RESALE OF WATER UNDER CONTRACT BETWEEN
THE UNITED STATES OF AMERICA AND THE COUNTY OF COLUSA

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1-3
1	Incorporation of Terms of Master Contract	3
2	Resale of Water	3
3	Points of Delivery--Operation and Maintenance of Pumping Plants by Member Units	3-4
4	Assumption of Administrative Responsibilities by Member Unit	4
5	Term of Subcontract	4
6	Contracts for Resale of Water	5
7	General Obligation of the County	5
8	General Obligation of the Member Unit	5
9	County to be Held Harmless	6
10	Notices	6
11	Assignment Limited--Successors and Assigns Obligated	6
12	Officials Not to Benefit	7
13	Confirmation of Subcontract	7
14	Amendments of Master Contract	7
	Signature Page	8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
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SUBCONTRACT BETWEEN THE COUNTY OF COLUSA
AND THE HOLTHOUSE WATER DISTRICT
PROVIDING FOR RESALE OF WATER UNDER CONTRACT BETWEEN
THE UNITED STATES OF AMERICA AND THE COUNTY OF COLUSA

This Subcontract is made this ____ day of _____, 2004, by and between the COUNTY OF COLUSA, hereinafter referred to as the County, acting through the Chairman of the Board of Supervisors, with its principal place of business in Colusa, California, and the HOLTHOUSE WATER DISTRICT, hereinafter referred to as the Member Unit, acting through the President and Secretary of the Board of Directors, with its principal place of business in Maxwell, California.

WITNESSETH, that:

EXPLANATORY RECITALS

[1st] WHEREAS, on _____, _____, 2004, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, the United States of America and the County of Colusa entered into Contract No. 14-06-200-8310A-R-1 providing for water service, hereinafter referred to as Master Contract; and

[2nd] WHEREAS, pursuant to said Master Contract, the United States agreed to furnish up to 20,000 acre-feet of water annually from the Tehama-Colusa Canal to the County; and

1 [3rd] WHEREAS, Article 39 of the Master Contract states:

2 “The Contractor [the County] may enter into subcontracts with Member Units for the
3 resale and distribution of water furnished pursuant to this Contract within the Contractor’s
4 Service Area. Each such Member Unit subcontract shall be subject to the obligations and
5 limitations imposed, and to the rights granted, by this Contract and shall so provide. The terms
6 and conditions of each Member Unit’s subcontract shall be approved by the Contracting Officer
7 prior to the execution of such Member Unit subcontract, which approval shall be limited to a
8 determination that the subcontract is consistent with the provisions of this Contract. Nothing
9 herein or therein contained shall be deemed in any way to release the Contractor from its primary
10 liability to the United States hereunder with respect to each and all of the obligations undertaken
11 by the Contractor in this Contract.”; and

12 [4th] WHEREAS, the Member Unit is a public agency within the County’s service area
13 organized for the purpose of obtaining a water supply from the Tehama-Colusa Canal and is
14 eligible to enter into a subcontract within the meaning of Article 39 of the Master Contract; and

15 [5th] WHEREAS, the Member Unit and the County have previously entered into and
16 performed under subcontracts between them for the resale and delivery by the County to
17 Member Unit of up to 2,450 acre-feet annually of Central Valley Project Water that the County
18 had rights to receive under its prior Master Contract with the United States (Contract
19 No. 14-06-200-8310A), dated November 18, 1975, and the interim renewal contracts related
20 thereto; and

21 [6th] WHEREAS, there is a present and potential need for water in the amount of 2,450
22 acre-feet annually for irrigation and/or municipal and industrial purposes with the boundaries of

1 the Member Unit, and that such a water supply to meet these present and potential needs can be
2 made available by and through the works constructed by the United States; and

3 [7th] WHEREAS, upon motion duly made and seconded, the Board of Supervisors of
4 the County voted unanimously, at a regular meeting thereof on December 9, 1980, to approve the
5 resale to the Member Unit by subcontract of 2,450 acre-feet of the County's annual entitlement
6 of 20,000 acre-feet of water pursuant to the Master Contract, subject to the prior approval of the
7 Contracting Officer as defined in the Master Contract; and

8 [8th] WHEREAS, said Contracting Officer has given advance consent to and approval
9 of the form, terms, and conditions of the Subcontract between the County and the Member Unit.

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

12 INCORPORATION OF TERMS OF MASTER CONTRACT

13 1. This Subcontract is entered into pursuant to Article 39 of the Master Contract and
14 subject to the terms, conditions, obligations, and limitations imposed by the Master Contract
15 unless specifically provided to the contrary herein.

16 RESALE OF WATER

17 2. The County hereby resells to the Member Unit a quantity of water up to 2,450
18 acre-feet of the 20,000 acre-feet of water to which the County is annually entitled pursuant to
19 Article 3 of the Master Contract. The Member Unit will not be liable to the County for
20 administrative or other charges in connection with said resale of water.

21 POINTS OF DELIVERY--OPERATION AND MAINTENANCE
22 OF PUMPING PLANTS BY MEMBER UNITS

23 3. The water to be furnished to the Member Unit pursuant to this Subcontract shall
24 be delivered at approved turnouts on the Tehama-Colusa Canal and any additional point or points

1 of delivery either on the Tehama-Colusa Canal or another location or locations mutually agreed
2 to in writing by the Contracting Officer and the Contractor.

3 ASSUMPTION OF ADMINISTRATIVE RESPONSIBILITIES BY MEMBER UNIT

4 4. The Member Unit, rather than the County, shall perform the following
5 administrative responsibilities with respect to the resale of water pursuant to this Subcontract:

6 (a) The Member Unit shall submit water use schedules to the United States in
7 the manner provided for in Article 4 of the Master Contract;

8 (b) The Member Unit shall make payment, on behalf of the County, to the
9 United States for water furnished pursuant to the Subcontract and in the manner and at the rates
10 provided for in Article 7 of the Master Contract. The County shall return to the Member Unit
11 any refund resulting from adjustments pursuant to Article 7 of the Master Contract.

12 (c) The Member Unit, on behalf of the County, shall pay interest on
13 delinquent payment for water furnished pursuant to this Subcontract in the manner provided for
14 in Article 20 of the Master Contract.

15 (d) The Member Unit, on behalf of the County, shall establish and maintain
16 the books, records, and reports pertaining to the Member Unit's financial transactions, land use
17 and crop census, water use, and other matters in the manner provided in Article 30 of the Master
18 Contract.

19 TERM OF SUBCONTRACT

20 5. The term of this Subcontract shall be the same as the term of the Master Contract.

1 CONTRACTS FOR RESALE OF WATER

2 6. The Member Unit may enter into contracts, transfers, or exchanges of water
3 furnished pursuant to this Subcontract in the manner provided for in Article 9 of the Master
4 Contract.

5 GENERAL OBLIGATION OF THE COUNTY

6 7. Nothing herein contained shall be deemed in any way to release the County from
7 its primary liability to the United States pursuant to the Master Contract with respect to each and
8 all of the obligations undertaken by the County in said Master Contract.

9 GENERAL OBLIGATION OF THE MEMBER UNIT

10 8. (a) The Member Unit as a whole is obligated to pay the charges becoming due
11 as provided in this Subcontract notwithstanding the individual default in the payment to the
12 Member Unit by individual water users of assessments, tolls, or other charges levied by the
13 Member Unit. The lands which may be charged with any taxes or assessments under this
14 Subcontract are hereby designated as all the lands within the service area of the Member Unit.

15 (b) The Member Unit will cause to be levied and collected all necessary
16 assessments, standby charges, or water tolls, and will use all of the authority and resources of the
17 Member Unit to meet its obligations hereunder to make in full all payments to be made pursuant
18 to this Subcontract on or before the dates such payments become due and to meet its other
19 obligations under this Subcontract. The Member Unit may, either or both, require the payment
20 of service or standby charges or levy assessments for such water or service.

1 COUNTY TO BE HELD HARMLESS

2 9. The Member Unit shall hold the County harmless from every claim for damage to
3 persons or property, and from each and every obligation, arising out of, or connected with, the
4 performance by the Member Unit of this Subcontract.

5 NOTICES

6 10. Any notice, demand, or request authorized or required by this Subcontract shall be
7 deemed to have been given when mailed, postage prepaid, or delivered to the Area Manager,
8 Northern California Area Office, Bureau of Reclamation, 16349 Shasta Dam Boulevard, Shasta
9 Lake, California 96019, on behalf of the United States; to the Board of Supervisors, County of
10 Colusa, 546 Jay Street, Colusa, California 95932, on behalf of the County; and to the Board of
11 Directors, P.O. Box 658, Maxwell, California 95955, on behalf of the Member Unit. The
12 designation of the addressee or the address may be changed by notice given in the same manner
13 as provided in this Article for other notices.

14 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

15 11. (a) The provisions of this Subcontract shall apply to and bind the successors
16 and assigns of the parties hereto, but no assignment or transfer of this Subcontract or any right or
17 interest therein shall be valid until approved in writing by the Contracting Officer.

18 (b) The assignment of any right or interest in this Subcontract by either party
19 shall not interfere with the rights or obligations of the other party to this Subcontract absent the
20 written concurrence of said other party.

21 (c) The Contracting Officer shall not unreasonably condition or withhold his
22 approval of any proposed assignment.

1 OFFICIALS NOT TO BENEFIT

2 12. No Member of or Delegate to Congress, Resident Commissioner, or official of the
3 Member Unit shall benefit from this Subcontract other than as a water user or landowner in the
4 same manner as other water users or landowners.

5 CONFIRMATION OF SUBCONTRACT

6 13. The Member Unit, upon execution of this Subcontract, shall promptly secure a
7 final decree of the proper court of the State of California, if appropriate, approving and
8 confirming this Subcontract and decreeing and adjudging it and the apportionment of the benefits
9 made thereunder to be lawful, valid, and binding on the Member Unit. The Member Unit shall
10 furnish to the County and the United States a certified copy of such decree and pertinent
11 supporting records or a document describing why securing such a decree was unnecessary.

12 AMENDMENTS OF MASTER CONTRACT

13 14. The County and the Member Unit agree that neither party will take any action,
14 without the prior written consent of the other party, which would result in an amendment to the
15 Master Contract or this Subcontract which would increase the rates of payment for or the amount
16 of water furnished pursuant thereto.

1 IN WITNESS WHEREOF, the parties hereto have executed this Subcontract the day and
2 year here and above written.

3 COUNTY OF COLUSA

4 By: _____
5 Chairman, Board of Supervisors

6 Attest:

7 _____
8 County Clerk and Ex-Officio Clerk of the
9 Board of Supervisors of the County of Colusa

10 HOLTHOUSE WATER DISTRICT

11 By: _____
12 President, Board of Directors

13 By: _____
14 Secretary, Board of Directors

15 Approved:

16 THE UNITED STATES OF AMERICA

17 By: _____
18 Regional Director, Mid-Pacific Region
19 Bureau of Reclamation

20 (I:\LTRC\Draft LTRC\05-11-04 Holthouse WD Final Draft Subcontract form.doc)