

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

CONTRACT BETWEEN THE UNITED STATES AND  
JOE HEIDRICK, JR., TRUSTEE OF THE JOSEPH HEIDRICK, SR. FAMILY TRUST,  
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,  
SETTLING WATER RIGHTS DISPUTES AND  
PROVIDING FOR PROJECT WATER

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble .....	1
	Explanatory Recitals .....	2-3
1	Definitions.....	3-6
2	Term of Settlement Contract.....	6-7
3	Water to be Furnished to Contractor.....	7-9
4	Return Flow .....	9
5	Constraints on the Availability of Water .....	9-10
6	Integrated Water Management and Partnerships .....	10
7	Use of Water Furnished to Contractor.....	11
8	Rate and Method of Payment for Water .....	11-16
9	Agreement on Water Quantities.....	16-18
10	Measurement of Water.....	19
11	Rules and Regulations.....	19-20
12	General Obligation--Benefits Conditioned Upon Payment.....	20
13	Charges for Delinquent Payments .....	20
14	Quality of Water .....	21
15	Water and Air Pollution Control.....	21
16	Equal Opportunity.....	21-22
17	Omitted .....	22
18	Omitted .....	22

Table of Contents - continued

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
19	Books, Records, and Reports .....	22-23
20	Change of Place of Use .....	23
21	Omitted .....	23
22	Notices .....	23
23	Assignment Limited--Successors and Assigns Obligated .....	23
24	Officials Not to Benefit.....	23
25	Contingent Upon Appropriation or Allotment of Funds .....	23-24
26	Confirmation of Settlement Contract.....	24
27	Omitted .....	24
28	Privacy Act Compliance .....	24-25
29	Water Conservation .....	25-26
30	Opinions and Determinations .....	26-27
31	Contractor to Pay Certain Miscellaneous Costs.....	27
32	Waiver of Default .....	27
33	Contract Assignment or Termination Upon Transfer of Land.....	28-29
34	Termination.....	29
	Signature Page .....	30
Exhibit A	Schedule of Monthly Diversions of Water	
Exhibit B	Map of Contractor's Ownership	
Exhibit C	Omitted	
Exhibit D	Water Rates and Charges	

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

7 CONTRACT BETWEEN THE UNITED STATES AND  
8 JOE HEIDRICK, JR., TRUSTEE OF THE JOSEPH HEIDRICK, SR. FAMILY TRUST,  
9 DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,  
10 SETTLING WATER RIGHTS DISPUTES AND  
11 PROVIDING FOR PROJECT WATER

12 THIS CONTRACT, hereinafter referred to as "Settlement Contract," is entered into by  
13 THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, made this  
14 22<sup>nd</sup> day of March, 2005, pursuant to the applicable authority granted to it  
15 generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto,  
16 including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and  
17 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, including but not  
18 limited to Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68),  
19 October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV  
20 of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal  
21 Reclamation law, and JOE HEIDRICK, JR., TRUSTEE OF THE JOSEPH HEIDRICK, SR.  
22 FAMILY TRUST, hereinafter referred to as the Contractor, acting pursuant to Sections 12003 and  
23 12004 of the California Water Code, with its principal place of business in California;

24 WITNESSETH, that:

EXPLANATORY RECITALS

25  
26 [1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the Central Valley  
27 Project, California, for multiple purposes pursuant to its statutory authority; and

28 [2<sup>nd</sup>] WHEREAS, the Contractor has rights to divert, is diverting, and will continue to  
29 divert for reasonable beneficial use, water from the natural flow of the Sacramento River and  
30 tributaries thereto, that would have been flowing therein if the Central Valley Project were not in  
31 existence; and

32 [3<sup>rd</sup>] WHEREAS, the construction and operation of the integrated and coordinated  
33 Central Valley Project has changed and will further change the regimen of the Sacramento,  
34 American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin Delta from  
35 unregulated flow to regulated flow; and

36 [4<sup>th</sup>] WHEREAS, the United States has rights to divert, is diverting, and will continue  
37 to divert waters from said Rivers and said Delta in connection with the operation of said Central  
38 Valley Project; and

39 [5<sup>th</sup>] WHEREAS, the Contractor and the United States had a dispute over the  
40 respective rights of the parties to divert and use water from the regulated flow of the Sacramento  
41 River which threatened to result in litigation, and as a means to settle that dispute entered into  
42 Contract No. 14-06-200-1176A, as amended, hereinafter referred to as the Existing Contract,  
43 which established terms for the delivery to the Contractor of Central Valley Project Water, and  
44 the quantities of Base Supply the United States and the Contractor agreed may be diverted by the  
45 Contractor from the Sacramento River pursuant to such contract; and

46 [6<sup>th</sup>] WHEREAS, the United States and the Contractor disagree with respect to the  
47 authority of the United States to change the quantities of Base Supply and/or Project Water

48 specified as available for diversion in this Settlement Contract from the quantities specified in  
49 the Existing Contract, and other issues related thereto. That dispute was the subject of litigation  
50 in a lawsuit entitled *Glenn-Colusa Irrigation District, et al. v. United States, et al.* [Civ. No. S-  
51 01-1816 GEB/JFM (E.D. Cal.)], but that litigation was dismissed, without prejudice, pursuant to  
52 a stipulation of dismissal filed by the parties thereto on August 29, 2002. Notwithstanding that  
53 dismissal, the Contractor and the United States enter into this Settlement Contract to renew the  
54 Existing Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and  
55 the laws of the State of California; and

56 [7<sup>th</sup>] WHEREAS, to assure the Contractor of the enjoyment and use of the regulated  
57 flow of the said Rivers and the Delta, and to provide for the economical operation of the Central  
58 Valley Project by, and the reimbursement to, the United States for expenditures made for said  
59 Project;

60 NOW, THEREFORE, in consideration of the performance of the herein contained  
61 provisions, conditions, and covenants, it is agreed as follows:

62 DEFINITIONS

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

65 (a) "Base Supply" shall mean the quantity of Surface Water established in  
66 Articles 3 and 5 which may be diverted by the Contractor from the Sacramento River each month  
67 during the period April through October of each Year without payment to the United States for  
68 such quantities diverted;

69 (b) "Basin-Wide Water Management Plan" shall mean the mutually agreeable  
70 Sacramento River Basinwide Water Management Plan, dated October 11, 2004, developed by

71 Glenn-Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual Water  
72 Company, Pelger Mutual Water Company, Princeton-Codora Glenn Irrigation District, Provident  
73 Irrigation District, Reclamation District 108, Sutter Mutual Water Company, Anderson-  
74 Cottonwood Irrigation District, Meridian Farms Water Company, Reclamation District 1004, and  
75 the U.S. Bureau of Reclamation;

76 (c) "Charges" shall mean the payments for Project Water that the Contractor  
77 is required to pay to the United States in addition to the "Rates" specified in this Settlement  
78 Contract. The Contracting Officer will, on an annual basis, determine the extent of these  
79 Charges. The type and amount of each Charge shall be specified in Exhibit D;

80 (d) "Contract Total" shall mean the sum of the Base Supply and Project Water  
81 available for diversion by the Contractor for the period April 1 through October 31;

82 (e) "Critical Year" shall mean any Year in which either of the following  
83 eventualities exists:

84 (1) The forecasted full natural inflow to Shasta Lake for the current  
85 Water Year, as such forecast is made by the United States on or before February 15 and reviewed  
86 as frequently thereafter as conditions and information warrant, is equal to or less than 3.2 million  
87 acre-feet; or

88 (2) The total accumulated actual deficiencies below 4 million acre-feet  
89 in the immediately prior Water Year or series of successive prior Water Years each of which had  
90 inflows of less than 4 million acre-feet, together with the forecasted deficiency for the current  
91 Water Year, exceed 800,000 acre-feet.

92 For the purpose of determining a Critical Year, the computation of inflow to  
93 Shasta Lake shall be performed in a manner that considers the extent of upstream development

94 above Shasta Lake during the year in question, and shall be used as the full natural flow to  
95 Shasta Lake. In the event that major construction has occurred or occurs above Shasta Lake after  
96 September 1, 1963, and which has materially altered or alters the regimen of the stream systems  
97 contributing to Shasta Lake, the computed inflow to Shasta Lake used to define a Critical Year  
98 will be adjusted to eliminate the effect of such material alterations. After consultation with the  
99 State of California, the National Weather Service, and other recognized forecasting agencies, the  
100 Contracting Officer will select the forecast to be used and will make the details of it available to  
101 the Contractor. The same forecasts used by the United States for the operation of the Project  
102 shall be used to make the forecasts hereunder;

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

105 (g) Omitted;

106 (h) Omitted;

107 (i) Omitted;

108 (j) Omitted;

109 (k) Omitted;

110 (l) "Project" shall mean the Central Valley Project owned by the United  
111 States and managed by the Department of the Interior, Bureau of Reclamation;

112 (m) "Project Water" shall mean all Surface Water diverted or scheduled to be  
113 diverted each month during the period April through October of each Year by the Contractor  
114 from the Sacramento River which is in excess of the Base Supply. The United States recognizes  
115 the right of the Contractor to make arrangements for acquisition of water from projects of others  
116 than the United States for delivery through the Sacramento River and tributaries subject to

117 written agreement between Contractor and the United States as to identification of such water,  
118 which water, when so identified, shall not be deemed Project Water under this Settlement  
119 Contract;

120 (n) "Rates" shall mean the payments for Project Water determined annually  
121 by the Contracting Officer in accordance with the then current applicable water ratesetting  
122 policies for the Project, as described in subdivision (a) of Article 8 of this Settlement Contract;

123 (o) "Secretary" or "Contracting Officer" shall mean the Secretary of the  
124 Interior, a duly appointed successor, or an authorized representative acting pursuant to any  
125 authority of the Secretary and through any agency of the Department of the Interior;

126 (p) "Surface Water" shall mean only those waters that are considered as  
127 surface water under California law;

128 (q) "Water Year" shall mean the period commencing with October 1 of one  
129 year and extending through September 30 of the next; and

130 (r) "Year" shall mean a calendar year.

131 TERM OF SETTLEMENT CONTRACT

132 2. (a) This Settlement Contract shall become effective April 1, 2005, and shall  
133 remain in effect until and including March 31, 2045; Provided, that under terms and conditions  
134 mutually agreeable to the parties hereto, renewals may be made for successive periods not to  
135 exceed 40 years each. The terms and conditions of each renewal shall be agreed upon not later  
136 than one year prior to the expiration of the then existing Settlement Contract.

137 (b) With respect to Project Water and the portions of this Settlement Contract  
138 pertaining thereto, upon written request by the Contractor of the Secretary made not later than  
139 one year prior to the expiration of this Settlement Contract, whenever, account being taken of the



140 amount then credited to the costs of construction of water supply works, the remaining amount of  
141 construction costs of water supply work which is properly assignable for ultimate return by the  
142 Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public  
143 Law 643 (70 Stat. 483), probably can be repaid to the United States within the term of a contract  
144 under subsection 9(d) of the 1939 Reclamation Project Act (53 Stat. 1187), the relevant portions  
145 of this Settlement Contract may be converted to a contract under said subsection 9(d) upon terms  
146 and conditions mutually agreeable to the United States and the Contractor. The Secretary shall  
147 make a determination ten years after the date of execution of this Settlement Contract, and every  
148 five years thereafter, of whether a conversion to a contract under said subsection 9(d) can be  
149 accomplished pursuant to Public Law 643. Notwithstanding any provision of this Settlement  
150 Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.

151 WATER TO BE FURNISHED TO CONTRACTOR

152 3. (a) Subject to the conditions, limitations, and provisions hereinafter  
153 expressed, the Contractor is hereby entitled and authorized to divert from the Sacramento River  
154 at the locations shown in Exhibit A, for beneficial use within the area delineated on Exhibit B,  
155 (both Exhibits are attached hereto and made a part hereof), the Contract Total designated in  
156 Exhibit A, or any revision thereof.

157 (b) No sale, transfer, exchange, or other disposal of any of the Contract Total  
158 designated in Exhibit A or the right to the use thereof for use on land other than that shown on  
159 Exhibit B shall be made by the Contractor without first obtaining the written consent of the  
160 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be  
161 rendered in a timely manner. For short-term actions that will occur within one year or less, the  
162 decision will be rendered within 30 days after receipt of a complete written proposal. For

163 long-term actions that will occur in a period longer than one year, the decision will be rendered  
164 within 90 days after receipt of a complete written proposal. For a proposal to be deemed  
165 complete by the Contracting Officer, it must comply with all provisions required by State and  
166 Federal law, including information sufficient to enable the Contracting Officer to comply with  
167 the National Environmental Policy Act, the Endangered Species Act, and applicable rules or  
168 regulations then in effect; Provided, that such consent does not authorize the use of Federal  
169 facilities to facilitate or effectuate the sale, transfer, exchange or other disposal of Base Supply.  
170 Such use of Federal facilities will be the subject of a separate agreement to be entered into  
171 between the Contractor and Reclamation.

172 (c) For the purpose of determining whether Section 3405(a)(1)(M) of the  
173 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting  
174 Officer acknowledges that the Contractor is within a county, watershed, or other area of origin,  
175 as those terms are utilized under California law.

176 (d) Nothing herein contained shall prevent the Contractor from diverting  
177 water during the months of November through March for beneficial use on the land shown on  
178 Exhibit B or elsewhere to the extent authorized under the laws of the State of California.

179 (e) The United States assumes no responsibility for and neither it nor its  
180 officers, agents, or employees shall have any liability for or on account of:

- 181 (1) The quality of water to be diverted by the Contractor;  
182 (2) The control, carriage, handling, use, disposal, or distribution of  
183 water diverted by the Contractor outside the facilities constructed and then being operated and  
184 maintained by or on behalf of the United States;



208 (a) Irrigate not in excess of 75 percent of its irrigable acreage shown on  
209 Exhibit A; or

210 (b) Divert from the Sacramento River not in excess of 75 percent of the  
211 Contract Total shown on Exhibit A, subject to the installation of measurement equipment  
212 satisfactory to the Contracting Officer. The Contractor shall install, operate, and maintain this  
213 equipment at the Contractor's expense. The Contractor shall submit, by April 1 of that Critical  
214 Year, a written schedule to the Contracting Officer indicating the Contract Total to be diverted  
215 by the Contractor during each month of that Critical Year under this Settlement Contract.

216 (c) The amount of any overpayment by the Contractor shall, at its option, be  
217 refunded or credited upon amounts to become due to the United States from the Contractor under  
218 the provisions hereof in the ensuing Year. To the extent of such deficiency such adjustment of  
219 overpayment shall constitute the sole remedy of the Contractor.

220 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

221 6. The Contractor and United States desire to work together to maximize the  
222 reasonable beneficial use of water for their mutual benefit. As a consequence, the United States  
223 and the Contractor will work in partnership and with others within the Sacramento Valley,  
224 including other contractors, to facilitate the better integration within the Sacramento Valley of all  
225 water supplies including, but not limited to, the better management and integration of surface  
226 water and groundwater, the development and better utilization of surface water storage, the  
227 effective utilization of waste, seepage and return flow water, and other operational and  
228 management options that may be identified in the future.

229 USE OF WATER FURNISHED TO CONTRACTOR

230 7. (a) Project Water furnished to the Contractor pursuant to this Settlement  
231 Contract shall not be delivered or furnished by the Contractor for any purposes other than  
232 agricultural purposes without the written consent of the Contracting Officer. For purposes of this  
233 Settlement Contract, "agricultural purposes" includes, but is not restricted to, the irrigation of  
234 crops, the watering of livestock, incidental domestic use including related landscape irrigation,  
235 and underground water replenishment.

236 (b) The Contractor shall comply with requirements applicable to the  
237 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution  
238 of this Settlement Contract undertaken pursuant to Section 7 of the Endangered Species Act of  
239 1973, as amended, that are within the Contractor's legal authority to implement. The Existing  
240 Contract, which evidences in excess of 40 years of diversions, for agricultural uses, of the  
241 quantities of water provided for in Article 3, and the underlying water rights of the Contractor  
242 will be considered in developing an appropriate base-line for the Biological Assessment prepared  
243 pursuant to the Endangered Species Act, and in any other needed environmental review.  
244 Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial  
245 relief in a court of competent jurisdiction with respect to any biological opinion or other  
246 environmental documentation referred to in this Article.

247 RATE AND METHOD OF PAYMENT FOR WATER

248 8. (a) The Contractor shall make payments to the United States as provided in  
249 this Article for each acre of land irrigated from April 1, through October 31 each Year.

250 Such payments shall be at Rates and Charges established in accordance with: (i)  
251 the Secretary's then current ratesetting policies for the Project; and (ii) applicable Reclamation

252 law and associated rules and regulations, or policies; Provided, that if the Contractor desires to  
253 use Project Water for other than agricultural purposes the Rates and Charges set forth above will  
254 be adjusted by the Contracting Officer to the applicable Rates and Charges for such purposes.  
255 The Rates and Charges applicable to the Contractor upon execution of this Settlement Contract  
256 are set forth in Exhibit D, as may be revised annually. The Secretary's ratesetting policies for  
257 the Project shall be amended, modified, or superseded only through a public notice and comment  
258 procedure.

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

261 (1) Prior to July 1 of each Year, the Contracting Officer shall provide  
262 the Contractor an estimate of the Charges for Project Water that will be applied to the period  
263 October 1, of the current Year, through September 30, of the following Year, and the basis for  
264 such estimate. The Contractor shall be allowed not less than two months to review and comment  
265 on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify  
266 the Contractor in writing of the Charges to be in effect during the period October 1 of the current  
267 Year, through September 30, of the following Year, and such notification shall revise Exhibit D.

268 (2) Prior to October 1 of each Year, the Contracting Officer shall make  
269 available to the Contractor an estimate of the Rates for Project Water for the following Year and  
270 the computations and cost allocations upon which those Rates are based. The Contractor shall be  
271 allowed not less than two months to review and comment on such computations and cost  
272 allocations. By December 31 of each Year, the Contracting Officer shall provide the Contractor  
273 with the final Rates to be in effect for the upcoming Year, and such notification shall revise  
274 Exhibit D.

275 (c) The Contractor shall pay the United States for Project Water in the  
276 following manner:

277 (1) With respect to Rates and Charges, on or before May 1 of each  
278 Year, the Contractor shall pay the United States one-half the total amount payable pursuant to  
279 subdivision (a) of this Article and the remainder shall be paid on or before July 1 or such later  
280 date or dates as may be specified by the United States in a written notice to the Contractor.

281 (2) The amount to be paid on or before May 1 of each Year shall be  
282 based on a written estimate, provided to the Contracting Officer by the Contractor on or before  
283 April 1 of each Year, of the total area to be irrigated between April 1 and October 31 of that  
284 Year.

285 (3) The amount to be paid on or before July 1 shall be equal to the  
286 difference between the amount paid on May 1 and the total amount due for the Year, based on  
287 the total area actually irrigated between April 1 and July 1.

288 (4) If additional areas are placed under irrigation on or after July 1, but  
289 before October 31 additional payment shall be made in advance of such additional irrigation at  
290 the Rates and Charges shown in Exhibit D for each additional acre placed under irrigation.

291 (d) Payments to be made by the Contractor to the United States under this  
292 Settlement Contract may be paid from any revenues available to the Contractor. All revenues  
293 received by the United States from the Contractor relating to the delivery of Project Water or the  
294 delivery of non-Project Water through Project facilities shall be allocated and applied in  
295 accordance with Federal Reclamation law and the associated rules or regulations, and the then  
296 current Project ratesetting policies for irrigation water.

297                   (e)     The Contracting Officer shall keep its accounts pertaining to the  
298 administration of the financial terms and conditions of its long-term water service and Settlement  
299 Contracts, in accordance with applicable Federal standards, so as to reflect the application of  
300 Project costs and revenues. The Contracting Officer shall, each Year upon request of the  
301 Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense  
302 allocations, the disposition of all Project and Contractor revenues, and a summary of all water  
303 delivery information. The Contracting Officer and the Contractor shall enter into good faith  
304 negotiations to resolve any discrepancies or disputes relating to accountings, reports, or  
305 information.

306                   (f)     The parties acknowledge and agree that the efficient administration of this  
307 Settlement Contract is their mutual goal. Recognizing that experience has demonstrated that  
308 mechanisms, policies, and procedures used for establishing Rates and Charges and/or for making  
309 and allocating payments, other than those set forth in this Article may be in the mutual best  
310 interest of the parties, it is expressly agreed that the parties may enter into agreements to modify  
311 the mechanisms, policies, and procedures for any of those purposes while this Settlement  
312 Contract is in effect without amendment of this Settlement Contract.

313                   (g)     For the term of this Settlement Contract, Rates under the respective  
314 ratesetting policies for the Project will be established to recover only reimbursable operation and  
315 maintenance (including any deficits) and capital costs of the Project, as those terms are used in  
316 the then-current Project ratesetting policies, and interest, where appropriate, except in instances  
317 where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy.  
318 Proposed changes of significance in practices which implement the ratesetting policies for the  
319 Project will not be implemented until the Contracting Officer has provided the Contractor an



320 opportunity to discuss the nature, need, and impact of the proposed change. The Contractor  
321 retains all rights to challenge the validity of Rates and Charges imposed pursuant to this  
322 Settlement Contract, including but not limited to operation and maintenance expenses and  
323 operation and maintenance deficits, in an appropriate administrative or judicial proceeding.

324 (h) Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates  
325 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor shall be the  
326 Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any)  
327 of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of  
328 delivery in accordance with the then-current ratesetting policies for the Project. Except as  
329 provided in subsection 3407(d)(2)(A) of the CVPIA, the Charges for Project Water transferred,  
330 exchanged, or otherwise disposed of, by the Contractor shall be the Contractor's Charges  
331 specified in Exhibit D. If the Contractor is receiving lower Rates and Charges because of  
332 inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to  
333 another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and  
334 Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the  
335 Contractor's Rates and Charges unadjusted for ability to pay.

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

338 (j) Each payment to be made pursuant to subdivisions (a) and (c) of this  
339 Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region, File  
340 No. 11546, P.O. Box 6000, San Francisco, California 94160-1546, or at such other place as the  
341 United States may designate in a written notice to the said Contractor. Payments shall be made  
342 by cash transaction, wire, or any other mechanism as may be agreed to in writing by the

343 Contractor and the Contracting Officer. In event there should be a default in the payment of the  
344 amount due, the delinquent payment provisions of Article 13 shall apply. The Contractor shall  
345 not be relieved of the whole or any part of its said obligation by, on account of, or  
346 notwithstanding, as the case may be its failure, refusal, or neglect to divert the quantity of Project  
347 Water shown on Exhibit A.

348 AGREEMENT ON WATER QUANTITIES

349 9. (a) During the term of this Settlement Contract and any renewals thereof:

350 (1) It shall constitute full agreement as between the United States and  
351 the Contractor as to the quantities of water and the allocation thereof between Base Supply and  
352 Project Water which may be diverted by the Contractor from the Sacramento River for beneficial  
353 use on the land shown on Exhibit B from April 1 through October 31 which said diversion, use,  
354 and allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations  
355 hereunder;

356 (2) Neither party shall claim any right against the other in conflict with  
357 the provisions of Article 9(a)(1) hereof.

358 (b) Nothing herein contained is intended to or does limit rights of the  
359 Contractor against others than the United States or of the United States against any person other  
360 than the Contractor; Provided, however, that in the event the Contractor, the United States, or  
361 any other person shall become a party to a general adjudication of rights to the use of water of  
362 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or position  
363 of either party hereto or of any other person and the rights of all such persons in respect to the  
364 use of such water shall be determined in such proceedings the same as if this Settlement Contract  
365 had not been entered into, and if final judgment in any such general adjudication shall determine

366 that the rights of the parties hereto are different from the rights as assumed herein, the parties  
367 shall negotiate an amendment to give effect to such judgment. In the event the parties are unable  
368 to agree on an appropriate amendment they shall, within 60 days of determining that there is an  
369 impasse, employ the services of a neutral mediator, experienced in resolving water rights  
370 disputes, to assist in resolving the impasse. The cost of the mediation will be shared equally. A  
371 failure to reach agreement on an amendment within 60 days of the end of mediation will cause  
372 the immediate termination of this Settlement Contract.

373 (c) In the event that the California State Water Resources Control Board or a  
374 court of competent jurisdiction issues a final decision or order modifying the terms and  
375 conditions of the water rights of either party to this Settlement Contract in order to impose Bay-  
376 Delta water quality obligations, the Contractor and the United States shall promptly meet to  
377 determine whether or not to modify any of the terms of this Settlement Contract to comply with  
378 the final decision or order. If within 60 days of the date of the issuance of the final decision or  
379 order the parties are not able to reach agreement regarding either the need to modify this  
380 Settlement Contract or the manner in which this Settlement Contract is to be modified, the  
381 parties shall promptly retain a neutral mediator, experienced in resolving water right disputes, to  
382 assist the parties in resolving their dispute. The cost of the mediator shall be shared equally. In  
383 the event that either of the parties to this Settlement Contract determines that the parties will not  
384 be able to develop mutually-agreeable modification(s) to this Settlement Contract even with the  
385 assistance of a mediator, either of the parties to this Settlement Contract may attempt to resolve  
386 the impasse by seeking appropriate judicial relief including, but not limited to, filing a general  
387 adjudication of the rights to the use of water in the Sacramento River system. The foregoing  
388 provisions of this sub-article shall only apply to the incremental obligations contained within a

389 final decision or order of the State Water Resources Control Board that reflects a modification to  
390 the obligations imposed in State Water Resources Control Board Revised Water Rights Decision  
391 1641 dated March 15, 2000, and its associated 1995 Water Quality Control Plan which, taken  
392 together, will be considered the baseline for the application of the provisions of this sub-article.

393 (d) In the event this Settlement Contract terminates, the rights of the parties to  
394 thereafter divert and use water shall exist as if this Settlement Contract had not been entered into;  
395 and the fact that as a compromise settlement of a controversy as to the respective rights of the  
396 parties to divert and use water and the yield of such rights during the term hereof, this Settlement  
397 Contract places a limit on the Contract Total to be diverted annually by the Contractor during the  
398 Settlement Contract term and segregates it into Base Supply and Project Water shall not  
399 jeopardize the rights or position of either party with respect to its water rights or the yield thereof  
400 at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all  
401 times will first use water to the use of which it is entitled by virtue of its own water rights, and  
402 neither the provisions of this Settlement Contract, action taken thereunder, nor payments made  
403 thereunder to the United States by the Contractor shall be construed as an admission that any part  
404 of the water used by the Contractor during the term of this Settlement Contract was in fact water  
405 to which it would not have been entitled under water rights owned by it nor shall receipt of  
406 payments thereunder by the United States from the Contractor be construed as an admission that  
407 any part of the water used by the Contractor during the term of this Settlement Contract was in  
408 fact water to which it would have been entitled under water rights owned by it.

409

MEASUREMENT OF WATER

410           10.   (a)    All water diverted by the Contractor from the Sacramento River will be  
411 diverted at the existing point or points of diversion shown on Exhibit A or at such other points as  
412 may be mutually agreed upon in writing by the Contracting Officer and the Contractor.

413                   (b)    The right of ingress to and egress from all points of diversion is hereby  
414 granted to all authorized employees of the United States. The Contractor also hereby grants to  
415 the United States the right to install, operate, maintain, and replace measuring equipment on  
416 diversion or carriage facilities at each point of diversion as the Contracting Officer deems  
417 necessary.

418                   (c)    The Contractor shall not modify, alter, remove, or replace diversion  
419 facilities or do any other act which would alter the effectiveness or accuracy of the measuring  
420 equipment installed by the United States or its representatives unless and until the Contracting  
421 Officer has been notified with due diligence and has been given an opportunity to modify such  
422 measuring equipment in such manner as may be necessary or appropriate. In the event of an  
423 emergency the Contractor shall notify the United States within a reasonable time thereafter as to  
424 the existence of the emergency and the nature and extent of such modification, alteration,  
425 removal, or replacement of diversion facilities.

426                   (d)    The Contractor shall pay the United States for the costs to repair, relocate,  
427 or replace measurement equipment when the Contractor modifies, alters, removes, or replaces  
428 diversion or carriage facilities.

429

RULES AND REGULATIONS

430           11.    The parties agree that the delivery of Project Water for irrigation use or use of  
431 Federal facilities pursuant to this Settlement Contract is subject to Federal Reclamation law,

432 including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa et seq.), as  
433 amended and supplemented, and the rules and regulations promulgated by the Secretary of the  
434 Interior under Federal Reclamation law.

435 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

436 12. (a) The obligation of the Contractor to pay the United States as provided in  
437 this Settlement Contract is a general obligation of the Contractor notwithstanding the manner in  
438 which the obligation may be distributed among the Contractor's water users and notwithstanding  
439 the default of individual water users in their obligations to the Contractor.

440 (b) The payment of Charges becoming due hereunder is a condition precedent  
441 to receiving benefits under this Settlement Contract. The United States shall not make water  
442 available to the Contractor through Project facilities during any period in which the Contractor  
443 may be in arrears in the advance payment of water Rates due the United States. The Contractor  
444 shall not furnish water made available pursuant to this Settlement Contract for lands or parties  
445 which are in arrears in the advance payment of water rates levied or established by the  
446 Contractor.

447 (c) With respect to subdivision (b) of this Article, the Contractor shall have no  
448 obligation to require advance payment for water Rates which it levies.

449 CHARGES FOR DELINQUENT PAYMENTS

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

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

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

467

QUALITY OF WATER

468           14.    The operation and maintenance of Project facilities shall be performed in such  
469 manner as is practicable to maintain the quality of raw water made available through such  
470 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The  
471 United States does not warrant the quality of water and is under no obligation to construct or  
472 furnish water treatment facilities to maintain or better the quality of water.

473

WATER AND AIR POLLUTION CONTROL

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

478

EQUAL OPPORTUNITY

479           16.    During the performance of this Settlement Contract, the Contractor agrees as  
480 follows:

481                   (a)    The Contractor will not discriminate against any employee or applicant for  
482 employment because of race, color, religion, sex, or national origin. The Contractor will take  
483 affirmative action to ensure that applicants are employed, and that employees are treated during  
484 employment, without regard to their race, color, religion, sex, or national origin. Such action  
485 shall include, but not be limited to, the following: Employment, upgrading, demotion, or  
486 transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other  
487 forms of compensation; and selection for training, including apprenticeship. The Contractor  
488 agrees to post in conspicuous places, available to employees and applicants for employment,  
489 notices to be provided by the Contracting Officer setting forth the provisions of this  
490 nondiscrimination clause.

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

495                   (c)    The Contractor will send to each labor union or representative of workers  
496 with which it has a collective bargaining agreement or other contract or understanding, a notice,  
497 to be provided by the Contracting Officer, advising the said labor union or workers'

498 representative of the Contractor's commitments under Section 202 of Executive Order 11246 of  
499 September 24, 1965, and shall post copies of the notice in conspicuous places available to  
500 employees and applicants for employment.

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

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

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

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

525 17. Omitted.

526 18. Omitted.

527 BOOKS, RECORDS, AND REPORTS

528 19. The Contractor shall establish and maintain accounts and other books and records  
529 pertaining to administration of the terms and conditions of this Settlement Contract, including:  
530 the Contractor's financial transactions, water supply data, and Project land and right-of-way  
531 agreements; the water users' land-use (crop census), land ownership, land-leasing and water use  
532 data; and other matters that the Contracting Officer may require. Reports thereon shall be  
533 furnished to the Contracting Officer in such form and on such date or dates as the Contracting  
534 Officer may require. Subject to applicable Federal laws and regulations, each party to this



535 Settlement Contract shall have the right during office hours to examine and make copies of each  
536 other's books and official records relating to matters covered by this Settlement Contract.

537 CHANGE OF PLACE OF USE

538 20. Unless the written consent of the United States is first obtained no change shall be  
539 made in the place of water use shown on Exhibit B.

540 21. Omitted.

541 NOTICES

542 22. Any notice, demand, or request authorized or required by this Settlement Contract  
543 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,  
544 or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,  
545 16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United  
546 States, when mailed, postage prepaid, or delivered to Joe Heidrick, Jr., 36826 County Road 24,  
547 Woodland, California 95695. The designation of the addressee or the address may be changed  
548 by notice given in the same manner as provided in this Article for other notices.

549 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

550 23. (a) The provisions of this Settlement Contract shall apply to and bind the  
551 successors and assigns of the parties hereto, but no assignment or transfer of this Settlement  
552 Contract or any right or interest therein shall be valid until approved in writing by the  
553 Contracting Officer.

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

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

559 OFFICIALS NOT TO BENEFIT

560 24. No Member of or Delegate to Congress, Resident Commissioner, or official of the  
561 Contractor shall benefit from this Settlement Contract other than as a water user or landowner in  
562 the same manner as other water users or landowners.

563 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

564 25. The expenditure or advance of any money or the performance of any obligation of  
565 the United States under this Settlement Contract shall be contingent upon appropriation or

566 allotment of funds. Absence of appropriation or allotment of funds shall not relieve the  
567 Contractor from any obligations under this Settlement Contract. No liability shall accrue to the  
568 United States in case funds are not appropriated or allotted.

569 CONFIRMATION OF SETTLEMENT CONTRACT

570 26. The Contractor, after the execution of this Settlement Contract, shall promptly  
571 seek to secure a decree of a court of competent jurisdiction of the State of California, if  
572 appropriate, confirming the execution of this Settlement Contract. The Contractor shall furnish  
573 the United States a certified copy of the final decree, the validation proceedings, and all pertinent  
574 supporting records of the court approving and confirming this Settlement Contract, and  
575 decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This Settlement  
576 Contract shall not be binding on the United States until such final decree has been secured.

577 27. Omitted.

578 PRIVACY ACT COMPLIANCE

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

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

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

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

597 (e) The Contractor shall forward promptly to the System Manager each  
598 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed  
599 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System  
600 Manager with information and records necessary to prepare an appropriate response to the  
601 requester. These requirements do not apply to individuals seeking access to their own

602 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18, unless the  
603 requester elects to cite the Privacy Act as a basis for the request.

604 WATER CONSERVATION

605 29. (a) Prior to the diversion of Project Water, the Contractor shall be  
606 implementing an effective water conservation and efficiency program based on the Basin-Wide  
607 Water Management Plan and/or Contractor's water conservation plan that has been determined  
608 by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water  
609 conservation plans established under Federal law. The water conservation and efficiency  
610 program shall contain definite water conservation objectives, appropriate economically feasible  
611 water conservation measures, and time schedules for meeting those objectives. Continued  
612 diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the  
613 Contractor's continued implementation of such water conservation program. In the event the  
614 Contractor's water conservation plan or any revised water conservation plan completed pursuant  
615 to subdivision (d) of Article 29 of this Settlement Contract have not yet been determined by the  
616 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer  
617 determines are beyond the control of the Contractor, Project Water deliveries shall be made  
618 under this Settlement Contract so long as the Contractor diligently works with the Contracting  
619 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor  
620 immediately begins implementing its water conservation and efficiency program in accordance  
621 with the time schedules therein.

622 (b) The Contractor shall submit to the Contracting Officer a report on the  
623 status of its implementation of the water conservation plan on the reporting dates specified in the  
624 then existing conservation and efficiency criteria established under Federal law.



647 and regulations promulgated by the Secretary of the Interior. Such determinations shall be made  
648 in consultation with the Contractor to the extent reasonably practicable.

649 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

650 31. (a) In addition to all other payments to be made by the Contractor pursuant to  
651 this Settlement Contract, the Contractor shall pay to the United States, within 60 days after  
652 receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for  
653 such specific items of direct cost incurred by the United States for work requested by the  
654 Contractor associated with this Settlement Contract plus indirect costs in accordance with  
655 applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this  
656 Article shall not exceed the amount agreed to in writing in advance by the Contractor. This  
657 Article shall not apply to costs for routine contract administration.

658 (b) All advances for miscellaneous costs incurred for work requested by the  
659 Contractor pursuant to Article 31 of this Settlement Contract shall be adjusted to reflect the  
660 actual costs when the work has been completed. If the advances exceed the actual costs incurred,  
661 the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
662 advances, the Contractor will be billed for the additional costs pursuant to Article 31 of this  
663 Settlement Contract.

664 WAIVER OF DEFAULT

665 32. The waiver by either party to this Settlement Contract as to any default shall not  
666 be construed as a waiver of any other default or as authority of the other party to continue such  
667 default or to make, do, or perform, or not to make, do, or perform, as the case may be, any act or  
668 thing which would constitute a default.

669            CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

670            33.    (a)    The rights and obligations of the Contractors may be transferred in  
671 connection with the transfer of title to the land or any portion thereof delineated on Exhibit B on  
672 the following terms and conditions:

673                            (1)    A voluntary inter vivos transfer may be made, upon mutual  
674 agreement of the United States and the Contractors, to a person eligible to hold title to the land as  
675 a nonexcess landowner; and

676                            (2)    In the event the title of the Contractors to such land, or any portion  
677 thereof, is transferred by operation of law, such as by conveyance in satisfaction of a mortgage,  
678 by inheritance, or by device, the rights and obligations of the Contractors shall pass with the title  
679 and the land shall be subject to provisions of Reclamation law pertaining to such transfers. Any  
680 transfer of the rights and obligations of this Settlement Contract by the person acquiring title by  
681 operation of law shall be in accordance with provisions of subsection (1) above.

682                            (b)    The Contractors shall notify the Contracting Officer in writing of any  
683 proposed transfer of this Settlement Contract. In addition, in the case of a partial assignment the  
684 Contractors shall:

685                            (1)    Designate the proportionate quantities of Base Supply and Project  
686 Water which they desire to assign; and

687                            (2)    Furnish the United States with a copy of the deed transferring title.

688                            (c)    No transfer of this Settlement Contract shall be effective unless and until  
689 approved by the Contracting Officer, and, if approved, shall be effective from the date of such  
690 approval.



698 IN WITNESS WHEREOF, the parties hereto have executed this Settlement

699 Contract as of the day and year first hereinabove written.

700

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY  
*James E. [Signature]*  
OFFICE OF REGIONAL SOLICITOR  
DEPARTMENT OF THE INTERIOR

THE UNITED STATES OF AMERICA

701

702

703

By: *[Signature]*  
Regional Director, Mid-Pacific Region  
Bureau of Reclamation

704 (SEAL)

705

JOSEPH HEIDRICK, SR. FAMILY TRUST

706

By: *[Signature]*  
Edith Heidrick, Trustee

707 (H:\PUBLIC\Sac River Final LTRC's-01\2005-01-31HeidrickEdith-1176A-R-1FinalDraftContractwit.DOC)



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

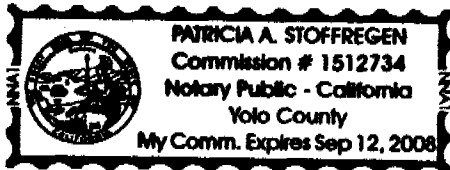
State of CALIFORNIA

County of YOLO

On MARCH 15, 2005 before me, PATRICIA A. STOFFREGEN, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared JOE HEIDRICK, JR  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Patricia A Stoffregen  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: IRRIGATION CONTRACT NO. 14-06-200-(1476-A-2-1

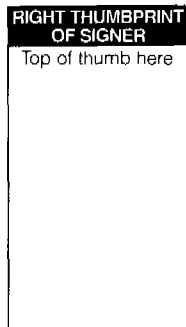
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

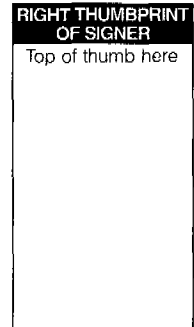
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit A

JOE HEIDRICK, JR., TRUSTEE of the JOSEPH HEIDRICK, SR. FAMILY TRUST  
 Sacramento River

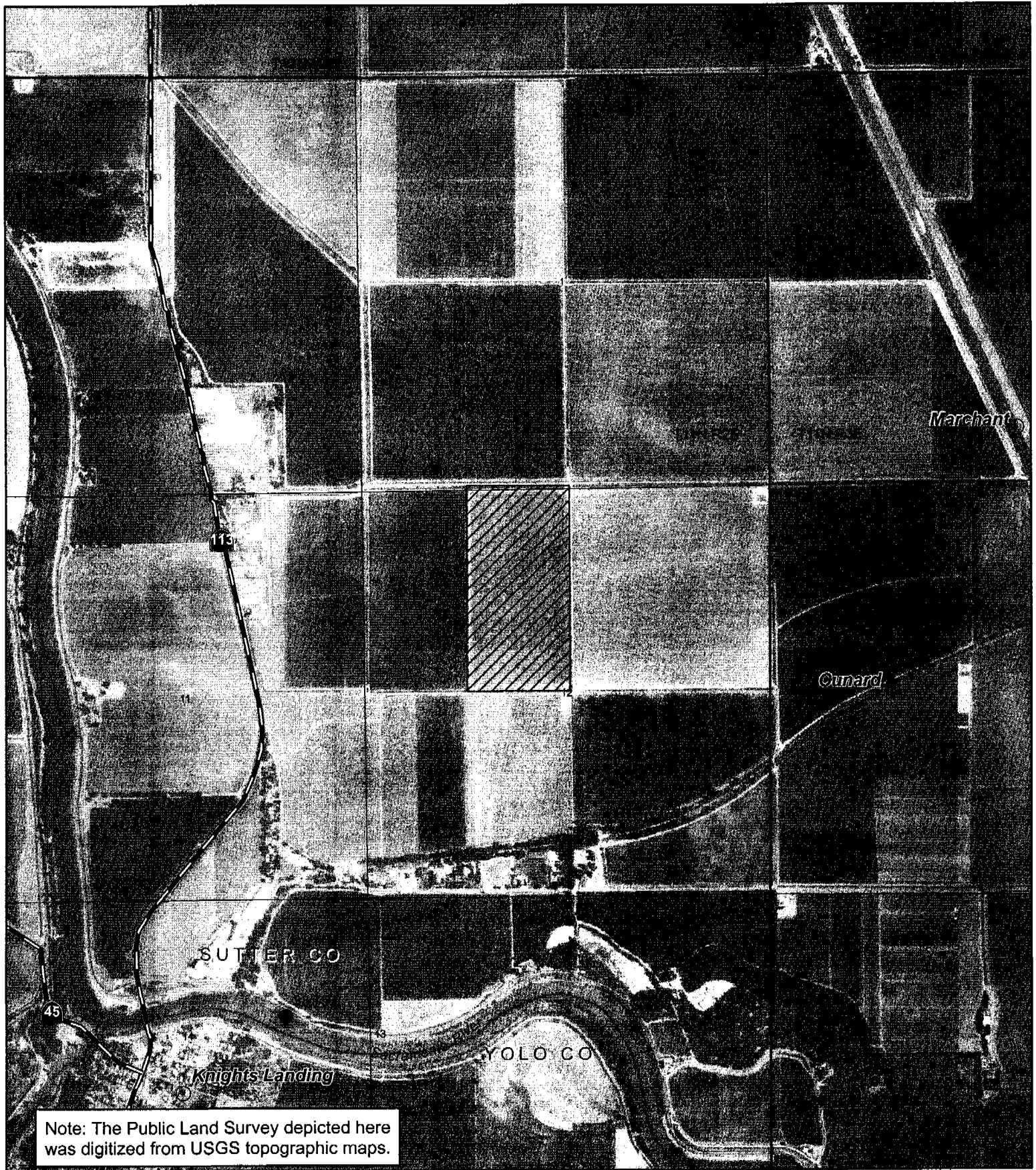
SCHEDULE OF MONTHLY DIVERSIONS OF WATER

	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Contract Total</u> (acre-feet)
April	<u>20</u>	<u>0</u>	<u>20</u>
May	<u>120</u>	<u>0</u>	<u>120</u>
June	<u>120</u>	<u>0</u>	<u>120</u>
July	<u>30</u>	<u>90</u>	<u>120</u>
August	<u>10</u>	<u>110</u>	<u>120</u>
September	<u>60</u>	<u>0</u>	<u>60</u>
October	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>360</u>	<u>200</u>	<u>560</u>

Irrigable Acres: 72

Points of Diversion: 33.75L

Dated: 01-31-2005




Note: The Public Land Survey depicted here was digitized from USGS topographic maps.

## Heidrick, Joe Jr.

Contract No. 14-06-200-1176A-R-1

Exhibit B

 Contractor's Service Area

 Point of Diversion

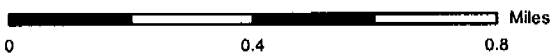


Exhibit C

Omitted

Exhibit D

JOE HEIDRICK, JR., TRUSTEE of the JOSEPH HEIDRICK, SR. FAMILY TRUST  
Sacramento River  
2005 Water Rates and Charges per Irrigated Acre

Irrigation

COST OF SERVICE RATE:

\$43.28

FULL-COST RATES:

Section 202(3) Rate is applicable to a  
Qualified Recipient or to a Limited  
Recipient receiving irrigation water  
on or before October 1, 1981.

\$57.39

Section 205(a)(3) Rate is  
applicable to a Limited Recipient that  
did not receive irrigation water on or  
before October 1, 1981.

\$62.86

CHARGES UNDER P.L. 102-575 TO THE  
RESTORATION FUND 1/

Restoration Payments (3407(d)(2)(A))

\$22.03

1/ Restoration fund charges are payments in addition to the water rates and were determined pursuant to Title XXXIV of Public Law 102-575. Restoration fund charges are on a fiscal year basis (10/1 - 9/30).