

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

CONTRACT BETWEEN THE UNITED STATES AND  
RIVERVIEW GOLF AND COUNTRY CLUB,  
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,  
SETTLING WATER RIGHTS DISPUTES AND  
PROVIDING FOR PROJECT WATER

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6 Central Valley Project, California

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10 SETTLING WATER RIGHTS DISPUTES AND  
11 PROVIDING FOR PROJECT WATER

12 THIS CONTRACT, hereinafter referred to as "Settlement Contract," is entered into  
13 by THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, made  
14 this 31<sup>st</sup> day of March, 2005, pursuant to the applicable authority  
15 granted to it generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
16 supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),  
17 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,  
18 including but not limited to Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21, 1963  
19 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended,  
20 and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter  
21 referred to as Federal Reclamation law, and RIVERVIEW GOLF AND COUNTRY CLUB,  
22 hereinafter referred to as the Contractor, acting pursuant to Sections 12003 and 12004 of the  
23 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. 14-06-200-8286A, hereinafter referred to as the Existing Contract, which  
43 established terms for the delivery to the Contractor of Central Valley Project Water, and the  
44 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.*  
51 [Civ. No. S-01-1816 GEB/JFM (E.D. Cal.)], but that litigation was dismissed, without prejudice,  
52 pursuant to a stipulation of dismissal filed by the parties thereto on August 29, 2002.  
53 Notwithstanding that dismissal, the Contractor and the United States enter into this Settlement  
54 Contract to renew the Existing Contract, pursuant to the terms of the Existing Contract, Federal  
55 Reclamation law, and the laws of the State of California

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

112 (m) "Year" shall mean a calendar year.

113 TERM OF SETTLEMENT CONTRACT

114 2. (a) This Settlement Contract shall become effective April 1, 2005, and shall  
115 remain in effect until and including March 31, 2045; Provided, that under terms and conditions  
116 mutually agreeable to the parties hereto, renewals may be made for successive periods not to

117 exceed 40 years each. The terms and conditions of each renewal shall be agreed upon not later  
118 than one year prior to the expiration of the then existing Settlement Contract.

119 (b) With respect to Project Water and the portions of this Settlement Contract  
120 pertaining thereto, upon written request by the Contractor of the Secretary made not later than  
121 one year prior to the expiration of this Settlement Contract, whenever, account being taken of the  
122 amount then credited to the costs of construction of water supply works, the remaining amount of  
123 construction costs of water supply work which is properly assignable for ultimate return by the  
124 Contractor probably can be repaid to the United States within the term of a contract under  
125 subsection 9(c)(1) of the 1939 Reclamation Project Act (53 Stat. 1187), the relevant portions of  
126 this Settlement Contract may be converted to a contract under said subsection 9(c)(1) upon terms  
127 and conditions mutually agreeable to the United States and the Contractor. The Secretary shall  
128 make a determination ten years after the date of execution of this Settlement Contract, and every  
129 five years thereafter, of whether a conversion to a contract under said subsection 9(c)(1) can be  
130 accomplished.

131 WATER TO BE FURNISHED TO CONTRACTOR

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

137 (b) No sale, transfer, exchange, or other disposal of any of the Contract Total  
138 designated in Exhibit A or the right to the use thereof for use on land other than that shown on  
139 Exhibit B shall be made by the Contractor without first obtaining the written consent of the



140 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be  
141 rendered in a timely manner. For short-term actions that will occur within one year or less, the  
142 decision will be rendered within 30 days after receipt of a complete written proposal. For long-  
143 term actions that will occur in a period longer than one year, the decision will be rendered within  
144 90 days after receipt of a complete written proposal. For a proposal to be deemed complete by  
145 the Contracting Officer, it must comply with all provisions required by State and Federal law,  
146 including information sufficient to enable the Contracting Officer to comply with the National  
147 Environmental Policy Act, the Endangered Species Act, and applicable rules or regulations then  
148 in effect; Provided that, such consent does not authorize the use of Federal facilities to facilitate  
149 or effectuate the sale, transfer, exchange or other disposal of Base Supply. Such use of Federal  
150 facilities will be the subject of a separate agreement to be entered into between the Contractor  
151 and Reclamation.

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

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

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

161 (1) The quality of water to be diverted by the Contractor;



184 which is being used pursuant to this Settlement Contract for municipal, industrial or domestic  
185 use or underground storage for the benefit of the lands shown on Exhibit B by the Contractor.

186 CONSTRAINTS ON THE AVAILABILITY OF WATER

187 5. In a Critical Year, the Contractor shall have the option to:

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

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

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

200 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

201 6. The Contractor and United States desire to work together to maximize the  
202 reasonable beneficial use of water for their mutual benefit. As a consequence, the United States  
203 and the Contractor will work in partnership and with others within the Sacramento Valley,  
204 including other contractors, to facilitate the better integration within the Sacramento Valley of all  
205 water supplies including, but not limited to, the better management and integration of surface  
206 water and groundwater, the development and better utilization of surface water storage, the

207 effective utilization of waste, seepage and return flow water, and other operational and  
208 management options that may be identified in the future.

209 USE OF WATER FURNISHED TO CONTRACTOR

210 7. (a) Project Water furnished to the Contractor pursuant to this Settlement  
211 Contract shall not be delivered or furnished by the Contractor for any purposes other than  
212 municipal, industrial, and domestic purposes without the written consent of the Contracting  
213 Officer.

214 (b) The Contractor shall comply with requirements applicable to the  
215 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution  
216 of this Settlement Contract undertaken pursuant to Section 7 of the Endangered Species Act of  
217 1973, as amended, that are within the Contractor's legal authority to implement. The Existing  
218 Contract, which evidences in excess of 40 years of diversions, for municipal, industrial, and  
219 domestic uses, of the quantities of water provided for in Article 3, and the underlying water  
220 rights of the Contractor will be considered in developing an appropriate base-line for the  
221 Biological Assessment prepared pursuant to the Endangered Species Act, and in any other  
222 needed environmental review. Nothing herein shall be construed to prevent the Contractor from  
223 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any  
224 biological opinion or other environmental documentation referred to in this Article.

225 RATE AND METHOD OF PAYMENT FOR WATER

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

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

230 law and associated rules and regulations, or policies. The Rates and Charges applicable to the  
231 Contractor upon execution of this Settlement Contract are set forth in Exhibit D, as may be  
232 revised annually. The Secretary's ratesetting policies for the Project shall be amended, modified,  
233 or superseded only through a public notice and comment procedure.

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

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

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

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

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

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

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

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

266 (d) Payments to be made by the Contractor to the United States under this  
267 Settlement Contract may be paid from any revenues available to the Contractor. All revenues  
268 received by the United States from the Contractor relating to the delivery of Project Water or the  
269 delivery of non-Project Water through Project facilities shall be allocated and applied in  
270 accordance with Federal Reclamation law and the associated rules or regulations, and the then  
271 current Project ratesetting policies for municipal, industrial and domestic water.

272 (e) The Contracting Officer shall keep its accounts pertaining to the  
273 administration of the financial terms and conditions of its long-term water service and Settlement  
274 Contracts, in accordance with applicable Federal standards, so as to reflect the application of

275 Project costs and revenues. The Contracting Officer shall, each Year upon request of the  
276 Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense  
277 allocations, the disposition of all Project and Contractor revenues, and a summary of all water  
278 delivery information. The Contracting Officer and the Contractor shall enter into good faith  
279 negotiations to resolve any discrepancies or disputes relating to accountings, reports, or  
280 information.

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

288 (g) For the term of this Settlement Contract, Rates under the respective  
289 ratesetting policies for the Project will be established to recover only reimbursable operation and  
290 maintenance (including any deficits) and capital costs of the Project, as those terms are used in  
291 the then-current Project ratesetting policies, and interest, where appropriate, except in instances  
292 where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy.  
293 Proposed changes of significance in practices which implement the ratesetting policies for the  
294 Project will not be implemented until the Contracting Officer has provided the Contractor an  
295 opportunity to discuss the nature, need, and impact of the proposed change. The Contractor  
296 retains all rights to challenge the validity of Rates and Charges imposed pursuant to this

297 Settlement Contract, including but not limited to operation and maintenance expenses and  
298 operation and maintenance deficits, in an appropriate administrative or judicial proceeding.

299 (h) Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates  
300 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor shall be the  
301 Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any)  
302 of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of  
303 delivery in accordance with the then-current ratesetting policies for the Project. Except as  
304 provided in subsection 3407(d)(2)(A) of the CVPIA, the Charges for Project Water transferred,  
305 exchanged, or otherwise disposed of, by the Contractor shall be the Contractor's Charges  
306 specified in Exhibit D. If the Contractor is receiving lower Rates and Charges because of  
307 inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to  
308 another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and  
309 Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the  
310 Contractor's Rates and Charges unadjusted for ability to pay.

311 (i) Omitted

312 (j) Each payment to be made pursuant to subdivisions (a) and (c) of this  
313 Article shall be made at the office of the Bureau of Reclamation, MP Region: Mid-Pacific,  
314 P.O. Box 894242, Los Angeles, CA 90189-4242, or at such other place as the United States may  
315 designate in a written notice to the said Contractor. Payments shall be made by cash transaction,  
316 wire, or any other mechanism as may be agreed to in writing by the Contractor and the  
317 Contracting Officer. In event there should be a default in the payment of the amount due, the  
318 delinquent payment provisions of Article 13 shall apply. The Contractor shall not be relieved of



319 the whole or any part of its said obligation by, on account of, or notwithstanding, as the case may  
320 be its failure, refusal, or neglect to divert the quantity of Project Water shown on Exhibit A.

321 AGREEMENT ON WATER QUANTITIES

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

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

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

331 (b) Nothing herein contained is intended to or does limit rights of the  
332 Contractor against others than the United States or of the United States against any person other  
333 than the Contractor; Provided, however, that in the event the Contractor, the United States, or  
334 any other person shall become a party to a general adjudication of rights to the use of water of  
335 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or position  
336 of either party hereto or of any other person and the rights of all such persons in respect to the  
337 use of such water shall be determined in such proceedings the same as if this Settlement Contract  
338 had not been entered into, and if final judgment in any such general adjudication shall determine  
339 that the rights of the parties hereto are different from the rights as assumed herein, the parties  
340 shall negotiate an amendment to give effect to such judgment. In the event the parties are unable  
341 to agree on an appropriate amendment they shall, within 60 days of determining that there is an

342 impasse, employ the services of a neutral mediator, experienced in resolving water rights  
343 disputes, to assist in resolving the impasse. The cost of the mediation will be shared equally. A  
344 failure to reach agreement on an amendment within 60 days of the end of mediation will cause  
345 the immediate termination of this Settlement Contract.

346 (c) In the event that the California State Water Resources Control Board or a  
347 court of competent jurisdiction issues a final decision or order modifying the terms and  
348 conditions of the water rights of either party to this Settlement Contract in order to impose Bay-  
349 Delta water quality obligations, the Contractor and the United States shall promptly meet to  
350 determine whether or not to modify any of the terms of this Settlement Contract to comply with  
351 the final decision or order. If within 60 days of the date of the issuance of the final decision or  
352 order the parties are not able to reach agreement regarding either the need to modify this  
353 Settlement Contract or the manner in which this Settlement Contract is to be modified, the  
354 parties shall promptly retain a neutral mediator, experienced in resolving water right disputes, to  
355 assist the parties in resolving their dispute. The cost of the mediator shall be shared equally. In  
356 the event that either of the parties to this Settlement Contract determines that the parties will not  
357 be able to develop mutually-agreeable modification(s) to this Settlement Contract even with the  
358 assistance of a mediator, either of the parties to this Settlement Contract may attempt to resolve  
359 the impasse by seeking appropriate judicial relief including, but not limited to, filing a general  
360 adjudication of the rights to the use of water in the Sacramento River system. The foregoing  
361 provisions of this sub-article shall only apply to the incremental obligations contained within a  
362 final decision or order of the State Water Resources Control Board that reflects a modification to  
363 the obligations imposed in State Water Resources Control Board Revised Water Rights Decision

364 1641 dated March 15, 2000, and its associated 1995 Water Quality Control Plan which, taken  
365 together, will be considered the baseline for the application of the provisions of this sub-article.

366 (d) In the event this Settlement Contract terminates, the rights of the parties to  
367 thereafter divert and use water shall exist as if this Settlement Contract had not been entered into;  
368 and the fact that as a compromise settlement of a controversy as to the respective rights of the  
369 parties to divert and use water and the yield of such rights during the term hereof, this Settlement  
370 Contract places a limit on the Contract Total to be diverted annually by the Contractor during the  
371 Settlement Contract term and segregates it into Base Supply and Project Water shall not  
372 jeopardize the rights or position of either party with respect to its water rights or the yield thereof  
373 at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all  
374 times will first use water to the use of which it is entitled by virtue of its own water rights, and  
375 neither the provisions of this Settlement Contract, action taken thereunder, nor payments made  
376 thereunder to the United States by the Contractor shall be construed as an admission that any part  
377 of the water used by the Contractor during the term of this Settlement Contract was in fact water  
378 to which it would not have been entitled under water rights owned by it nor shall receipt of  
379 payments thereunder by the United States from the Contractor be construed as an admission that  
380 any part of the water used by the Contractor during the term of this Settlement Contract was in  
381 fact water to which it would have been entitled under water rights owned by it.

382 MEASUREMENT OF WATER

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

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

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

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

402 RULES AND REGULATIONS

403 11. The parties agree that the delivery of Project Water for municipal and industrial  
404 use or use of Federal facilities pursuant to this Settlement Contract is subject to Federal  
405 Reclamation law, and the rules and regulations promulgated by the Secretary of the Interior  
406 under Federal Reclamation law.

407 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

408 12. (a) The obligation of the Contractor to pay the United States as provided in  
409 this Settlement Contract is a general obligation of the Contractor notwithstanding the manner in

410 which the obligation may be distributed among the Contractor's water users and notwithstanding  
411 the default of individual water users in their obligations to the Contractor.

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

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

421 CHARGES FOR DELINQUENT PAYMENTS

422 13. (a) The Contractor shall be subject to interest, administrative and penalty  
423 charges on delinquent installments or payments. When a payment is not received by the due  
424 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond  
425 the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an  
426 administrative charge to cover additional costs of billing and processing the delinquent payment.  
427 When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty  
428 charge of six percent per year for each day the payment is delinquent beyond the due date.  
429 Further, the Contractor shall pay any fees incurred for debt collection services associated with a  
430 delinquent payment.

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

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

439 QUALITY OF WATER

440 14. The operation and maintenance of Project facilities shall be performed in such  
441 manner as is practicable to maintain the quality of raw water made available through such  
442 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The

443 United States does not warrant the quality of water and is under no obligation to construct or  
444 furnish water treatment facilities to maintain or better the quality of water.

445 WATER AND AIR POLLUTION CONTROL

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

450 EQUAL OPPORTUNITY

451 16. During the performance of this Settlement Contract, the Contractor agrees as  
452 follows:

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

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

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

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

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

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

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

497 17. Omitted.

498 18. Omitted.

499 BOOKS, RECORDS, AND REPORTS

500 19. The Contractor shall establish and maintain accounts and other books and records  
 501 pertaining to administration of the terms and conditions of this Settlement Contract, including:  
 502 the Contractor's financial transactions, water supply data, and Project land and right-of-way  
 503 agreements; the water users' land-use (crop census), land ownership, land-leasing and water use  
 504 data; and other matters that the Contracting Officer may require. Reports thereon shall be  
 505 furnished to the Contracting Officer in such form and on such date or dates as the Contracting  
 506 Officer may require. Subject to applicable Federal laws and regulations, each party to this  
 507 Settlement Contract shall have the right during office hours to examine and make copies of each  
 508 other's books and official records relating to matters covered by this Settlement Contract.

509 CHANGE OF PLACE OF USE

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

512 21. Omitted.

513 NOTICES

514 22. Any notice, demand, or request authorized or required by this Settlement Contract  
515 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,  
516 or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,  
517 16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United States,  
518 when mailed, postage prepaid, or delivered to Lon Rickey, Riverview Golf and Country Club,  
519 4200 Bechelli Lane, Redding, California 96002. The designation of the addressee or the address  
520 may be changed by notice given in the same manner as provided in this Article for other notices.

521 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

522  
523 23. (a) The provisions of this Settlement Contract shall apply to and bind the  
524 successors and assigns of the parties hereto, but no assignment or transfer of this Settlement  
525 Contract or any right or interest therein shall be valid until approved in writing by the  
526 Contracting Officer.

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

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

532 OFFICIALS NOT TO BENEFIT

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

536 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

537 25. The expenditure or advance of any money or the performance of any obligation of  
538 the United States under this Settlement Contract shall be contingent upon appropriation or  
539 allotment of funds. Absence of appropriation or allotment of funds shall not relieve the  
540 Contractor from any obligations under this Settlement Contract. No liability shall accrue to the  
541 United States in case funds are not appropriated or allotted.

542 CONFIRMATION OF SETTLEMENT CONTRACT

543 26. The Contractor, after the execution of this Settlement Contract, shall promptly  
544 seek to secure a decree of a court of competent jurisdiction of the State of California, if  
545 appropriate, confirming the execution of this Settlement Contract. The Contractor shall furnish



546 the United States a certified copy of the final decree, the validation proceedings, and all pertinent  
547 supporting records of the court approving and confirming this Settlement Contract, and  
548 decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This Settlement  
549 Contract shall not be binding on the United States until such final decree has been secured.

550 27. Omitted.

551 28. Omitted.

552 WATER CONSERVATION

553 29. (a) Prior to the diversion of Project Water, the Contractor shall be  
554 implementing an effective water conservation and efficiency program based on the Basin-Wide  
555 Water Management Plan and/or Contractor's water conservation plan that has been determined  
556 by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water  
557 conservation plans established under Federal law. The water conservation and efficiency  
558 program shall contain definite water conservation objectives, appropriate economically feasible  
559 water conservation measures, and time schedules for meeting those objectives. Continued  
560 diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the  
561 Contractor's continued implementation of such water conservation program. In the event the  
562 Contractor's water conservation plan or any revised water conservation plan completed pursuant  
563 to subdivision (d) of Article 29 of this Settlement Contract have not yet been determined by the  
564 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer  
565 determines are beyond the control of the Contractor, Project Water deliveries shall be made  
566 under this Settlement Contract so long as the Contractor diligently works with the Contracting  
567 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor  
568 immediately begins implementing its water conservation and efficiency program in accordance  
569 with the time schedules therein.

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

573 (c) At five-year intervals, the Contractor shall revise its water conservation  
574 plan to reflect the then current conservation and efficiency criteria for evaluating water  
575 conservation plans established under Federal law and submit such revised water management  
576 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then  
577 determine if the water conservation plan meets Reclamation's then current conservation and  
578 efficiency criteria for evaluating water conservation plans established under Federal law.

579 (d) If the Contractor is engaged in direct groundwater recharge, such activity  
580 shall be described in the Contractor's water conservation plan.

581 OPINIONS AND DETERMINATIONS

582 30. (a) Where the terms of this Settlement Contract provide for actions to be  
583 based upon the opinion or determination of either party to this Settlement Contract, said terms  
584 shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or  
585 unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of  
586 this Settlement Contract, expressly reserve the right to seek relief from and appropriate  
587 adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each  
588 opinion or determination by either party shall be provided in a timely manner. Nothing in  
589 subdivision (a) of Article 30 of this Settlement Contract is intended to or shall affect or alter the  
590 standard of judicial review applicable under Federal law to any opinion or determination  
591 implementing a specific provision of Federal law embodied in statute or regulation.

592 (b) The Contracting Officer shall have the right to make determinations  
593 necessary to administer this Settlement Contract that are consistent with the provisions of this  
594 Settlement Contract, the laws of the United States and of the State of California, and the rules  
595 and regulations promulgated by the Secretary of the Interior. Such determinations shall be made  
596 in consultation with the Contractor to the extent reasonably practicable.

597 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

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

606 (b) All advances for miscellaneous costs incurred for work requested by the  
607 Contractor pursuant to Article 31 of this Settlement Contract shall be adjusted to reflect the  
608 actual costs when the work has been completed. If the advances exceed the actual costs incurred,  
609 the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
610 advances, the Contractor will be billed for the additional costs pursuant to Article 31 of this  
611 Settlement Contract.

612 WAIVER OF DEFAULT

613 32. The waiver by either party to this Settlement Contract as to any default shall not  
614 be construed as a waiver of any other default or as authority of the other party to continue such

615 default or to make, do, or perform, or not to make, do, or perform, as the case may be, any act or  
616 thing which would constitute a default.

617 CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

618 33. (a) The rights and obligations of the Contractors may be transferred in  
619 connection with the transfer of title to the land or any portion thereof delineated on Exhibit B.

620 (b) The Contractor shall notify the Contracting Officer in writing of any  
621 proposed transfer of this Settlement Contract

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

625 (d) Upon mutual agreement between the United States and the Contractor, this  
626 Settlement Contract or a portion thereof may be terminated and the new landowner will have the  
627 privilege of entering into a Settlement Contract for water service for a proportionate share of the  
628 Contract Total.

629 TERMINATION

630 34. This Settlement Contract will terminate upon mutual agreement of the parties  
631 prior to the end of the term or any renewal thereof.

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

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

634 THE UNITED STATES OF AMERICA

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

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

635  
636  
637

638 (SEAL)

639  
640

RIVERVIEW GOLF AND COUNTRY CLUB

By: *[Signature]*  
President  
Title

641  
642  
643

644 ATTEST  
*[Signature]*  
Secretary

647 (H:\PUBLIC\Sac River Final LTRC's-01\2005-01-31 Riverview Golf & C Club Final Draft Contrac.DOC)

Exhibit A

RIVERVIEW GOLF AND COUNTRY CLUB  
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>30</u>	<u>0</u>	<u>30</u>
May	<u>35</u>	<u>0</u>	<u>35</u>
June	<u>45</u>	<u>0</u>	<u>45</u>
July	<u>45</u>	<u>10</u>	<u>55</u>
August	<u>45</u>	<u>10</u>	<u>55</u>
September	<u>30</u>	<u>5</u>	<u>35</u>
October	<u>25</u>	<u>0</u>	<u>25</u>
Total	<u>255</u>	<u>25</u>	<u>280</u>

Irrigable Acres: 100

Points of Diversion: 240.8L

Dated: 01-31-2005




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

# Riverview Golf and Country Club

Contract No. 14-06-200-8286A-R-1

Exhibit B

 Contractor's Service Area

 Point of Diversion

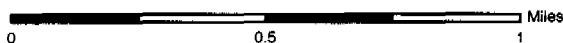


Exhibit C

Omitted



Exhibit D

RIVERVIEW GOLF AND COUNTRY CLUB  
Sacramento River  
2005 Water Rates and Charges per Irrigated Acre

COST OF SERVICE RATE 1/: \$15.00

CHARGES UNDER P.L. 102-575 TO THE  
RESTORATION FUND 2/

Restoration Payments (3407(d)(2)(A)) \$3.97

- 1/ Cost of service rate is the greater of the CVP minimum rate (higher of (1) a rate of \$15.00 per acre-foot, or (2) a rate equal to the O&M costs applicable to delivering project water to the contractor's designated point of delivery), the contract rate and the cost of service rate.
  
- 2/ 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).

Recent Historic Use, as defined in the CVP M&I Shortage Policy, is 25 acre-feet.



## Riverview Golf and Country Club

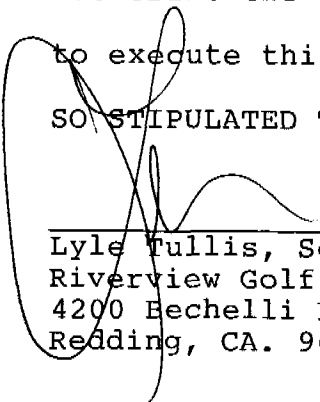
4200 Bechelli Lane  
Redding, California 96002-3599  
Phone (530) 224-2255  
FAX (530) 224-2246

TO: United States Dept. of the Interior  
Bureau of Reclamation  
Mid-Pacific Regional Office  
2800 Cottage Way  
Sacramento, CA. 95825-1898

### RESOLUTION:

Be it resolved that on March 23, 2005, the Board of Directors of the Riverview Golf and Country Club did approve the Long-Term Renewal Contract No. 14-06-200-8286A-R-1 between the United States and the Riverview Golf and Country Club, Diverter of Water from Sacramento River Sources, Settling Water Rights Disputes and Providing for Project Water - Central Valley Project, California...and that the Board of Directors did authorize the in-term Club President and Club Secretary/Treasurer to execute this contract.

SO STIPULATED TO ON THIS 23rd DAY OF MARCH, 2005.

  
\_\_\_\_\_  
Lyle Tullis, Secretary/Treasurer  
Riverview Golf and Country Club  
4200 Bechelli Lane  
Redding, CA. 96002