

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

CONTRACT BETWEEN THE UNITED STATES AND
JOSEPH J. SCHREINER AND CLEO N. SCHREINER, AS TRUSTEES OF THE RESTATED
SCHREINER FAMILY TRUST DATED APRIL 13, 1989, AND
JOE'S GIRLS, A CALIFORNIA LIMITED PARTNERSHIP,
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
SETTLING WATER RIGHTS DISPUTES AND
PROVIDING FOR PROJECT WATER

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11 DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
12 SETTLING WATER RIGHTS DISPUTES AND
13 PROVIDING FOR PROJECT WATER

14 THIS CONTRACT, hereinafter referred to as "Settlement Contract," is entered into by
15 THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, made this
16 31st day of March, 2005, pursuant to the applicable authority granted to
17 it generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
18 thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and
19 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, including but not
20 limited to Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68),
21 October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, and Title
22 XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to
23 as Federal Reclamation law, and JOSEPH J. SCHREINER AND CLEO N. SCHREINER, AS
24 TRUSTEES OF THE RESTATED SCHREINER FAMILY TRUST DATED APRIL 13, 1989, AND
25 JOE'S GIRLS, A CALIFORNIA LIMITED PARTNERSHIP, hereinafter referred to as the
26 Contractor, acting pursuant to Sections 12003 and 12004 of the California Water Code, with its
27 principal place of business in California;

28 WITNESSETH, that:

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EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project, California, for multiple purposes pursuant to its statutory authority; and

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

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

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

[5th] WHEREAS, the Contractor and the United States had a dispute over the respective rights of the parties to divert and use water from the regulated flow of the Sacramento River which threatened to result in litigation, and as a means to settle that dispute entered into Contract No. 14-06-200-889A, as amended, hereinafter referred to as the Existing Contract, which established terms for the delivery to the Contractor of Central Valley Project Water, and the quantities of Base Supply the United States and the Contractor agreed may be diverted by the Contractor from the Sacramento River pursuant to such contract; and

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

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

60 [7th] WHEREAS, to assure the Contractor of the enjoyment and use of the regulated
61 flow of the said Rivers and the Delta, and to provide for the economical operation of the Central
62 Valley Project by, and the reimbursement to, the United States for expenditures made for said
63 Project;

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

66 DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

109 (g) Omitted;

110 (h) Omitted;

111 (i) Omitted;

112 (j) Omitted;

113 (k) Omitted;

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

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

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

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

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

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

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

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

135 TERM OF SETTLEMENT CONTRACT

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

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

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

155 WATER TO BE FURNISHED TO CONTRACTOR

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

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

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

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

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

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

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

189 (3) Claims of damage of any nature whatsoever, including but not
190 limited to, property loss or damage, personal injury, or death arising out of or connected with the
191 control, carriage, handling, use, disposal, or distribution of said water outside of the hereinabove
192 referred to facilities; and

193 (4) Any damage whether direct or indirect arising out of or in any
194 manner caused by a shortage of water whether such shortage be on account of errors in
195 operation, drought, or unavoidable causes.

196 (f) In addition to the provisions of subdivision (e) of Article 3 of this
197 Contract, if there is a shortage of Project Water because of actions taken by the Contracting
198 Officer to meet legal obligations then, except as provided in subdivision (a) of Article 30 of this
199 Contract, no liability shall accrue against the United States or any of its officers, agents, or
200 employees for any damage, direct or indirect, arising therefrom.

201 RETURN FLOW

202 4. Nothing herein shall be construed as an abandonment or a relinquishment by the
203 United States of any right it may have to the use of waste, seepage, and return flow water derived
204 from water diverted by the Contractor hereunder and which escapes or is discharged beyond the
205 boundaries of the lands shown on Exhibit B; Provided, that this shall not be construed as
206 claiming for the United States any right to such water which is recovered by the Contractor
207 pursuant to California law from within the boundaries of the lands shown on Exhibit B, and
208 which is being used pursuant to this Settlement Contract for surface irrigation or underground
209 storage for the benefit of the lands shown on Exhibit B by the Contractor.

210 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

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

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

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

224 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

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

233 USE OF WATER FURNISHED TO CONTRACTOR

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

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

251 RATE AND METHOD OF PAYMENT FOR WATER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

342 (j) Each payment to be made pursuant to subdivisions (a) and (c) of this
343 Article shall be made at the office of the Bureau of Reclamation, MP Region: Mid-Pacific,
344 P.O. Box 894242, Los Angeles, CA 90189-4242, or at such other place as the United States may
345 designate in a written notice to the said Contractor. Payments shall be made by cash transaction,
346 wire, or any other mechanism as may be agreed to in writing by the Contractor and the

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

351 AGREEMENT ON WATER QUANTITIES

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

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

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

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

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

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

393 the obligations imposed in State Water Resources Control Board Revised Water Rights Decision
394 1641 dated March 15, 2000, and its associated 1995 Water Quality Control Plan which, taken
395 together, will be considered the baseline for the application of the provisions of this sub-article.

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

412 MEASUREMENT OF WATER

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

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

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

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

432 RULES AND REGULATIONS

433 11. The parties agree that the delivery of Project Water for irrigation use or use of
434 Federal facilities pursuant to this Settlement Contract is subject to Federal Reclamation law,
435 including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa et seq.), as
436 amended and supplemented, and the rules and regulations promulgated by the Secretary of the
437 Interior under Federal Reclamation law.

438 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

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

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

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

452 CHARGES FOR DELINQUENT PAYMENTS

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

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

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

470 QUALITY OF WATER

471 14. The operation and maintenance of Project facilities shall be performed in such
 472 manner as is practicable to maintain the quality of raw water made available through such

473 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
474 United States does not warrant the quality of water and is under no obligation to construct or
475 furnish water treatment facilities to maintain or better the quality of water.

476 WATER AND AIR POLLUTION CONTROL

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

481 EQUAL OPPORTUNITY

482 16. During the performance of this Settlement Contract, the Contractor agrees as
483 follows:

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

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

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

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

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

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

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

528 17. Omitted.

529 18. Omitted.

530 BOOKS, RECORDS, AND REPORTS

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

540

CHANGE OF PLACE OF USE

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

543 21. Omitted.

544

NOTICES

545 22. Any notice, demand, or request authorized or required by this Settlement Contract
546 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,
547 or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,
548 16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United States,
549 when mailed, postage prepaid, or delivered to Joseph J. Schreiner, 5 Monterey Circle, Woodland,
550 California 95695. The designation of the addressee or the address may be changed by notice
551 given in the same manner as provided in this Article for other notices.

552

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

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

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

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

562

OFFICIALS NOT TO BENEFIT

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

566

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

572

CONFIRMATION OF SETTLEMENT CONTRACT

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

580 27. Omitted.

581

PRIVACY ACT COMPLIANCE

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

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

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

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

600 (e) The Contractor shall forward promptly to the System Manager each
 601 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed
 602 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System
 603 Manager with information and records necessary to prepare an appropriate response to the
 604 requester. These requirements do not apply to individuals seeking access to their own
 605 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18, unless the
 606 requester elects to cite the Privacy Act as a basis for the request.
 607

608

WATER CONSERVATION

609

29. (a) Prior to the diversion of Project Water, the Contractor shall be

610

implementing an effective water conservation and efficiency program based on the Basin-Wide

611

Water Management Plan and/or Contractor's water conservation plan that has been determined

612

by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water

613

conservation plans established under Federal law. The water conservation and efficiency

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program shall contain definite water conservation objectives, appropriate economically feasible

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water conservation measures, and time schedules for meeting those objectives. Continued

616

diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the

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Contractor's continued implementation of such water conservation program. In the event the

618

Contractor's water conservation plan or any revised water conservation plan completed pursuant

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to subdivision (d) of Article 29 of this Settlement Contract have not yet been determined by the

620

Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer

621

determines are beyond the control of the Contractor, Project Water deliveries shall be made

622

under this Settlement Contract so long as the Contractor diligently works with the Contracting

623

Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor

624

immediately begins implementing its water conservation and efficiency program in accordance

625

with the time schedules therein.

626

(b) The Contractor shall submit to the Contracting Officer a report on the

627

status of its implementation of the water conservation plan on the reporting dates specified in the

628

then existing conservation and efficiency criteria established under Federal law.

629

(c) At five-year intervals, the Contractor shall revise its water conservation

630

plan to reflect the then current conservation and efficiency criteria for evaluating water

631 conservation plans established under Federal law and submit such revised water management
632 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then
633 determine if the water conservation plan meets Reclamation's then current conservation and
634 efficiency criteria for evaluating water conservation plans established under Federal law.

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

637 OPINIONS AND DETERMINATIONS

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

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

653 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

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

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

668 WAIVER OF DEFAULT

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

673 CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

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

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

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

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

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

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

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


695 (d) Upon mutual agreement between the United States and the Contractor, this
696 Settlement Contract or a portion thereof may be terminated and the new landowner will have the
697 privilege of entering into a Settlement Contract for water service for a proportionate share of the
698 Contract Total provided he is duly qualified to receive water for such land.

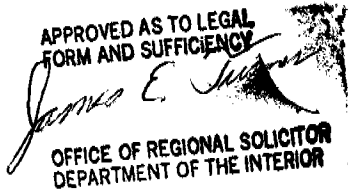
699 TERMINATION

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

702 IN WITNESS WHEREOF, the parties hereto have executed this Settlement
703 Contract as of the day and year first hereinabove written.


704 THE UNITED STATES OF AMERICA

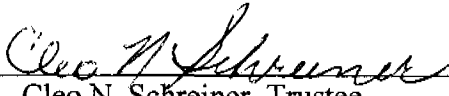
705 By: 
706 Regional Director, Mid-Pacific Region
707 Bureau of Reclamation



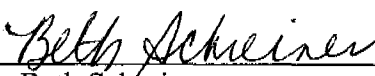
708 (SEAL)


JOSEPH J. SCHREINER AND CLEO N.
SCHREINER, AS TRUSTEES OF THE
RESTATED SCHREINER FAMILY
TRUST DATED APRIL 13, 1989


709 By: 
710 Joseph J. Schreiner, Trustee

711 By: 
712 Cleo N. Schreiner, Trustee

713 JOE'S GIRLS, A CALIFORNIA LIMITED
714 PARTNERSHIP

715 By: 
716 Beth Schreiner

717 By: 
718 Joan Schreiner Abbott

719 By: 
720 Anne Schreiner

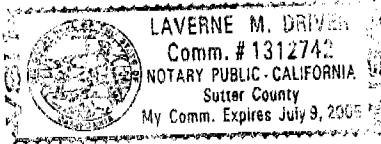
721 (H:\PUBLIC\Sac River Final LTRC's-01\2005-01-31SchreinerJosephandCleoFinalDraftContrwit.DOC)

ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Sutter } ss.

On March 7, 2005 before me, Laverne M. Driver,
(DATE) (NOTARY)
personally appeared Joseph J. Schreiner
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.

Laverne M. Driver
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER



Exhibit A

JOSEPH J. SCHREINER and CLEO N. SCHREINER,
 as TRUSTEES of the RESTATED SCHREINER FAMILY TRUST DATED APRIL 13, 1989,
 and JOE'S GIRLS, A CALIFORNIA LIMITED PARTNERSHIP
 Sacramento River

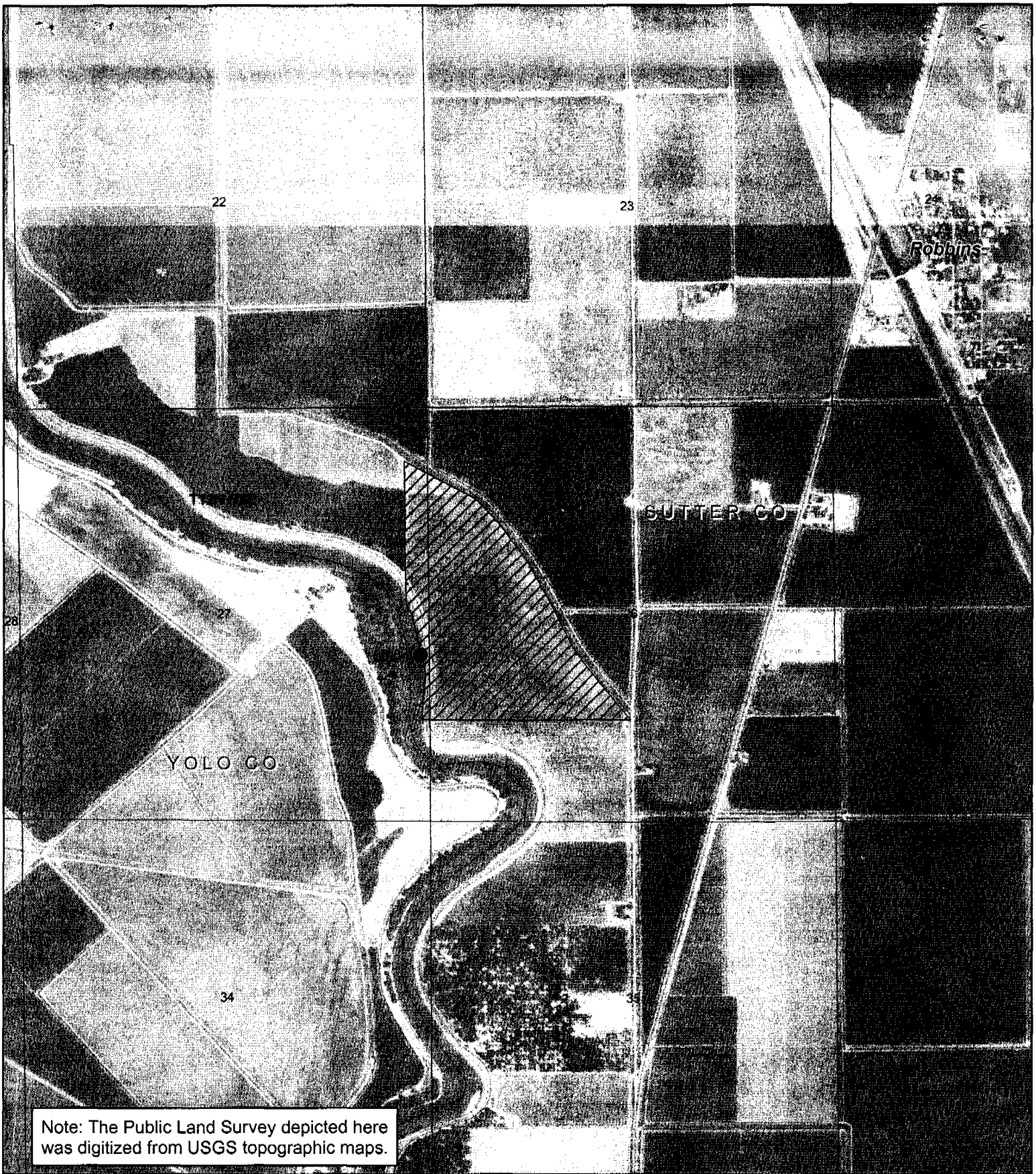
SCHEDULE OF MONTHLY DIVERSIONS OF WATER

	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Contract Total</u> (acre-feet)
April	<u>0</u>	<u>0</u>	<u>0</u>
May	<u>10</u>	<u>0</u>	<u>10</u>
June	<u>40</u>	<u>0</u>	<u>40</u>
July	<u>80</u>	<u>20</u>	<u>100</u>
August	<u>30</u>	<u>0</u>	<u>30</u>
September	<u>20</u>	<u>0</u>	<u>20</u>
October	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>180</u>	<u>20</u>	<u>200</u>

Irrigable Acres: 112

Points of Diversion: 38.8L

Dated: 01-31-2005



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

Schreiner, Joe and Cleo

Contract No. 14-06-200-889A-R-1

Exhibit B



Contractor's Service Area



Point of Diversion

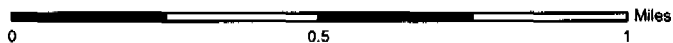


Exhibit C

Omitted

Exhibit D

JOSEPH J. SCHREINER and CLEO N. SCHREINER,
as TRUSTEES of the RESTATED SCHREINER FAMILY TRUST DATED APRIL 13, 1989,
and JOE'S GIRLS, A CALIFORNIA LIMITED PARTNERSHIP

Sacramento River

2005 Water Rates and Charges per Irrigated Acre

Irrigation

COST OF SERVICE RATE: \$3.09

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. \$4.01

Section 205(a)(3) Rate is
applicable to a Limited Recipient that
did not receive irrigation water on or
before October 1, 1981. \$4.44

CHARGES UNDER P.L. 102-575 TO THE
RESTORATION FUND 1/
Restoration Payments (3407(d)(2)(A)) \$1.42

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).