

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

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
EL DORADO IRRIGATION DISTRICT - LAKE HILLS ESTATES
PROVIDING FOR PROJECT WATER SERVICE

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THIS CONTRACT, made this 9th day of March 2001, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1261), as amended and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as the Federal

1 hereinafter referred to as the Federal Reclamation law, between THE UNITED STATES OF
2 AMERICA, hereinafter referred to as the United States, and THE EL DORADO IRRIGATION
3 DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California,
4 duly organized, existing, and acting pursuant to the laws thereof, with its principal place of
5 business in Placerville, California;

6 WITNESSETH, That:

7 EXPLANATORY RECITALS

8 WHEREAS, the United States has constructed and is operating the Central Valley
9 Project, California for diversion, storage, carriage, distribution and beneficial use, for flood
10 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
11 restoration, generation and distribution of electric energy, salinity control, navigation and other
12 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and
13 the San Joaquin River and their tributaries; and

14 WHEREAS, the United States constructed Folsom Dam and Reservoir and
15 appurtenant facilities, hereinafter collectively referred to as the Project facilities, which will be
16 used in part for the furnishing of water to the Contractor pursuant to the terms of this interim
17 renewal contract; and

18 WHEREAS, the County of El Dorado and the United States entered into Contract
19 No. 14-06-200-7312 dated July 25, 1958, (hereinafter referred to as "the Existing Contract")
20 which provided said County with Central Valley Project Water from Folsom Lake for delivery to
21 the Lake Hills Estates through October 31, 1999, when said contract expired; and

1 WHEREAS, the County of El Dorado officially assigned the Existing Contract to
2 the Contractor on December 18, 1973, with the approval of the United States; and

3 WHEREAS, the Contractor and the United States entered into interim renewal
4 contract(s) identified as Contract No(s). 14-06-200-7312-IR1, 14-06-200-7312-IR2, and
5 14-06-200-7312-IR3, latter of which is hereinafter referred to as the Existing Interim Renewal
6 Contract, which provided Project Water to the Contractor from March 1, 2001, through
7 February 28, 2001; and

8 WHEREAS, the Contractor has requested a subsequent interim renewal contract
9 pursuant to the Existing Interim Renewal Contract, Federal Reclamation law and the laws of the
10 State of California, for water service from the Central Valley Project; and

11 WHEREAS, the United States and the Contractor believe that either further
12 negotiations on a long-term renewal contract for the Contractor would be beneficial and mutually
13 commit to continue to negotiate to seek to reach agreement or the Contractor's proposed long-
14 term renewal contract's required environmental review necessary to execute a long-term renewal
15 contract has not been completed, and the Contractor has requested a subsequent interim renewal
16 contract pursuant to Article 2 (b)(1) of the existing Interim Renewal Contract; and

17 WHEREAS, the United States has determined that the Contractor has to date
18 fulfilled all of its obligations under the Existing Interim Renewal Contract; and

19 WHEREAS, The Contracting Officer has determined that the Contractor has the
20 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable

1 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
2 interim renewal contract; and

3 WHEREAS, the Contractor's rights of renewal of Contract No. 14-06-200-7312
4 and to convert said contract to a contract as provided by subsection (d), Section 9 of the Act of
5 August 4, 1939 (53 Stat. 1187), are set forth in said contract; and

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

11 WHEREAS, in order to continue water service provided under Project water
12 service contracts that expire prior to the completion of the PEIS, the United States intends to
13 execute interim renewal contracts for a period not to exceed three (3) Years in length, and for
14 successive interim periods of not more than two (2) Years in length, until appropriate
15 environmental documentation, including the PEIS, is finally completed, at which time the
16 Secretary shall, pursuant to Federal Reclamation law, upon request of the Contractor, enter into a
17 long-term renewal contract for a period of twenty-five (25) Years; and may thereafter renew such
18 long-term renewal contracts for successive periods not to exceed twenty-five (25) Years each;
19 and

20 WHEREAS, the Secretary intends to assure uninterrupted water service and
21 continuity of contract through the process set forth in Article 2 hereof; and

1 WHEREAS, since 1979, the Contractor has delivered water to the Lake Hills
2 Estates service area under Contract No. 14-06-200-1357A; and

3 WHEREAS, the Contractor desires to continue to deliver and account for the
4 water made available pursuant to this interim renewal contract, under Contract
5 No. 14-06-200-1357A, as amended on December 21, 1979, and December 10, 1983; and

6 WHEREAS, the Contractor has signed a binding agreement dated September 30,
7 1997, for early renewal of Contract No. 14-06-200-1357A upon completion of the specified
8 activities required under CVPIA; and

9 WHEREAS, for purposes of long-term renewal, the Contracting Officer and
10 Contractor intend to integrate, under one (1) contract, the water supplies made available under
11 both Nos. 14-06-200-7312 and 14-06-200-1357A; and

12 WHEREAS, in compliance with long-term renewal activities of the Contracting
13 Officer, the water needs analysis information submitted by the Contractor justifies the projected
14 need for the integrated water supplies to the Contractor's Service Area, as that term is defined
15 below.

16 WHEREAS, the United States is willing to renew the Existing Interim Renewal
17 Contract pursuant to Section 3404(c)(1) of the CVPIA on the terms and conditions set forth
18 below;

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

DEFINITIONS

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

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

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

9 (c) "Contractor's Service Area/boundaries" shall mean the area to which the
10 Contractor is permitted to provide Project Water under this interim renewal contract as
11 identified in Exhibit B, which service area and exhibit may be revised without amending
12 this contract if such revisions are acceptable to the Contracting Officer;

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

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

18 (f) OMITTED

19 (g) OMITTED

20 (h) OMITTED

21 (i) OMITTED

1 (j) "Irrigation Water" shall mean Project Water which is used primarily
2 in the production of agricultural crops or livestock, including domestic use
3 incidental thereto, and watering of livestock;

4 (k) OMITTED

5 (l) "M&I Water" shall mean water made available from the Project other than
6 Irrigation Water. M&I Water shall include water used for purposes such as the watering
7 of landscaping or pasture for animals (e.g., horses) which are kept for personal enjoyment
8 or water delivered to landholding operated in units of less than 5 acres unless the
9 Contractor establishes to the satisfaction of the Contracting Officer that the use of water
10 delivered to any such landholding is a use described in subdivision (j) of this Article;

11 (m) "O&M" shall mean normal and reasonable care, control, operation, repair,
12 replacement, and maintenance of Project facilities;

13 (n) OMITTED

14 (o) "Project" shall mean the Central Valley Project owned by the
15 United States and operated by the Department of the Interior, Bureau of Reclamation;

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

1 (q) "Rates" shall mean the payments determined annually by the Contracting
2 Officer in accordance with the then current applicable water ratesetting policies for the
3 Project;

4 (r) "Secretary" or "Contracting Officer" shall mean the Secretary of the
5 United States Department of the Interior or his duly authorized representative;

6 (s) "Year" shall mean the period from and including March 1 of
7 each Calendar Year through the last day of February of the following Calendar Year;

8 TERM OF CONTRACT - RIGHT TO USE OF WATER

9 2. (a) This interim renewal contract shall be effective from March 1, 2001, and
10 shall remain in effect through February 28, 2002, and thereafter will be renewed as described in
11 this article. Except as provided in subdivision (b) of this Article, until completion of all
12 appropriate environmental review, and provided that the Contractor has complied with all the
13 terms and conditions of the interim renewal contract in effect for the period immediately
14 preceding the requested successive interim renewal contract, this interim renewal contract will be
15 renewed, upon request of the Contractor, for successive interim periods each of which shall be no
16 more than two (2) Years in length. Also, except as provided in subdivision (b) of this Article, in
17 order to promote orderly and cost effective contract administration, the terms and conditions in
18 subsequent interim renewal contracts shall be identical to the terms and conditions in the interim
19 renewal contract immediately preceding the subsequent interim renewal contract: Provided,
20 however, That each party preserves the right to propose modification(s) in any interim renewal
21 contract other than those described in subdivision (b) of this Article, in which case the parties
22 shall negotiate in good faith appropriate modification(s) to be included in any successive interim

1 renewal contracts. Said modification(s) of each successive interim renewal contract shall be
2 agreed upon within a reasonable time prior to the expiration of the then existing interim renewal
3 contract. Nothing in this Article shall in any way alter the obligation that, upon final completion
4 of the PEIS and any necessary supplemental environmental documentation, the Secretary shall,
5 pursuant to Federal Reclamation law, upon request of the Contractor, enter into a long-term
6 renewal contract for a period of twenty-five (25) Years and may thereafter renew such long-term
7 renewal contracts for successive periods not to exceed twenty-five (25) Years each. The
8 Contractor asserts that Contract No. 14-06-200-7312 and existing law go beyond the preceding
9 sentence to give it enforceable rights to successive long-term renewal contracts. The Contracting
10 Officer disagrees with that assertion. The parties agree that this interim renewal contract
11 preserves the rights and positions of the parties and that the omission of language in this interim
12 renewal contract setting out the rights asserted by the Contractor to successive renewals is not
13 intended to be, nor shall it be interpreted as, a waiver of any such rights to the extent any such
14 rights are later determined to exist by a court of competent jurisdiction or by mutual agreement of
15 the parties. If a court of competent jurisdiction or the parties by mutual agreement determine that
16 incorporation of such language in this interim renewal contract is necessary to preserve such
17 rights, this interim renewal contract shall be construed as incorporating such language as though
18 fully set forth herein as of the effective date hereof.

19 (b) The parties anticipate that they will engage in good faith negotiations
20 intended to permit the execution of a twenty-five (25) Year long-term renewal contract
21 contemplated by Section 3404 (c) of the CVPIA, hereinafter referred to as a "long-term renewal

1 contract", by the end of the term hereof. The parties recognize the possibility that this schedule
2 may not be met. Accordingly:

3 (1) In the event (i) the Contractor and Contracting Officer have
4 reached agreement on the terms of the Contractor's long-term renewal contract or (ii) the
5 Contractor and Contracting Officer have not completed the negotiations on the Contractor's
6 long-term renewal contract, believe that further negotiations on that contract would be beneficial,
7 and mutually commit to continue to negotiate to seek to reach agreement, but (iii) all
8 environmental documentation required to allow execution of the Contractor's long-term renewal
9 contract by both parties has not been completed in time to allow execution of the Contractor's
10 long-term renewal contract by November 30, 2001, then (iv) the parties will expeditiously
11 complete the environmental documentation required of each of them in order to execute the
12 Contractor's long-term renewal contract at the earliest practicable date. In addition, the
13 Contractor's then current interim renewal contract will be renewed without change upon the
14 request of either party through the agreed-upon effective date of the Contractor's long-term
15 renewal contract or, in the absence of agreement on the terms of the Contractor's long-term
16 renewal contract, through the succeeding February 28.

17 (2) Provided that this interim renewal contract is not subject to
18 renewal under the terms described in subdivision (1) of this Article, if a party determines that the
19 parties have reached an impasse which they have been unable to resolve and which precludes
20 agreement on the long-term renewal contract, that party may notify the other that it has concluded
21 that there is no reasonable likelihood of reaching agreement on the terms of a long-term renewal

1 contract. In the event of such notice, the parties will immediately agree to a schedule and process
2 for negotiating the terms (other than any terms that would impair continuity of water supply or
3 continuity of contract) of and executing an interim renewal contract; provided that neither party
4 will propose for inclusion in the interim renewal contract any provision not previously included
5 in an existing interim renewal contract which it had previously proposed for inclusion in the
6 long-term renewal contract and which was the subject of an impasse in the long-term renewal
7 contract negotiations. The schedule will provide for completion of the negotiations of the terms
8 of that contract by February 1, 2002, and for execution of the contract on or about February 15,
9 2002. The parties each acknowledge the right of either party to seek judicial relief in connection
10 with any impasse reached in connection with negotiation of the long-term renewal contract
11 and/or an interim renewal contract that would become effective on or after February 28, 2002.

12 (c) The parties acknowledge that the Contractor asserts that it is entitled as a
13 matter of law to an interim renewal contract of longer duration than twelve (12) months, and that
14 the Contracting Officer asserts that it is under no obligation to provide the Contractor with an
15 interim renewal contract of any particular duration. Accordingly, the parties further acknowledge
16 that (i) the foregoing process represents a mutual accommodation to facilitate their joint desire to
17 proceed with the development of a long-term renewal contract in an expeditious and orderly
18 manner, (ii) they each preserve their respective rights and positions relative to the entitlement of
19 the Contractor to subsequent interim renewal contracts should they become necessary, and the
20 terms thereof, and (iii) their agreement to the process and interim renewal contract terms

1 described above is in no way intended to be, nor will it be interpreted as, a waiver of any such
2 rights or positions, all of which are and will be expressly preserved.

3 (d) The omission of language in this interim renewal contract providing for
4 conversion of this interim renewal contract or any subsequent renewals thereof to a repayment
5 contract, pursuant to the Act of July 2, 1956 (70 Stat. 483), shall not prejudice the Contractor's
6 right to assert a right to have such language included in subsequent renewals of this interim
7 renewal contract or to exercise such conversion, all as provided by law, or to negotiate the
8 language regarding such conversion to be included in subsequent renewal contracts.

9 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

10 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and
11 consistent with applicable State water rights, permits and licenses, the Contractor is entitled to,
12 and the Contracting Officer shall be obligated to make available to the Contractor up to 50 acre-
13 feet of Project Water for irrigation and/or municipal and industrial purposes during the term of
14 this interim renewal contract. The quantity of Project Water delivered to the Contractor in
15 accordance with this Article 3(a) in any Year shall be scheduled and paid for pursuant to the
16 provisions of Articles 4 and 7 hereof, and shall not exceed the quantity of Project Water the
17 Contractor intends to put to reasonable beneficial use within the Contractor's Service
18 Area/boundaries or sold, transferred, or exchanged pursuant to Article 9 during the term of this
19 interim renewal contract.

20 (b) The Contractor shall utilize the Project Water made available to it pursuant
21 to this interim renewal contract in accordance with all applicable requirements of any Biological

1 Opinion addressing the execution of this interim renewal contract developed pursuant to Section
2 7 of the Endangered Species Act of 1973 as amended, and in accordance with environmental
3 documentation as may be required for specific activities, including conversion of Irrigation Water
4 to M&I Water.

5 (c) The Contractor shall make reasonable and beneficial use of Project Water
6 or other water furnished pursuant to this interim renewal contract. In addition, use of Project
7 Water in a ground-water recharge program shall be permitted under this contract to the extent
8 that it is carried out in accordance with California law; Provided, however, that such ground-
9 water recharge program cannot be undertaken unless and until the Contractor submits a ground-
10 water management plan pursuant to California law that demonstrates that such ground-water
11 recharge program will result in a reasonable and beneficial use of such water.

12 (d) If the Contracting Officer determines that Project Water, or other water
13 available to the Project, can be made available to the Contractor in addition to the quantity of
14 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
15 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any
16 quantity of such water, the Contracting Officer shall make such water available to the Contractor
17 in accordance with applicable statutes, regulations, guidelines, and policies.

18 (e) If the Contractor requests permission to reschedule for use during the
19 subsequent Year some or all of the Project Water made available to the Contractor during the
20 current Year or to use, during the current Year, that quantity of Project Water the United States
21 has agreed to make available to the Contractor during the subsequent Year, the Contracting

1 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and
2 policies.

3 (f) The Contractor's right pursuant to Federal Reclamation law and applicable
4 State law to the beneficial use of water furnished pursuant to this interim renewal contract, any
5 subsequent interim renewal contract and, as described in Article 2(a), any long-term renewal
6 contract, shall not be disturbed so long as the Contractor shall fulfill all of its obligations under
7 this interim renewal contract and any such renewal thereof. Nothing in the preceding sentence
8 shall affect the Contracting Officer's ability to impose shortages under subdivision (b) of Article
9 12 of this interim renewal contract and the applicable provisions of any such renewal thereof.

10 (g) Notwithstanding subdivisions (j) and (l) of Article 1, Project Water
11 furnished to the Contractor pursuant to this interim renewal contract may be delivered for
12 purposes other than those described in subdivisions (j) and (l) of Article 1 upon written approval
13 by the Contracting Officer in accordance with the terms and conditions of such approval.

14 (h) Notwithstanding subdivisions (a) through (g) of this Article, during the
15 entire term of this interim renewal contract, the Contractor hereby agrees not to take delivery of
16 any Project Water pursuant to this contract. All Project Water delivered to the Lake Hills Estates
17 service area will be made available and accounted for under Contract No. 14-06-200-1357A as
18 amended, until such time as a long-term renewal contract is executed, whereby this contract and
19 Contract No. 14-06-200-1357A will be fully integrated into one (1) contract.

TIME FOR DELIVERY OF WATER

1
2 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer
3 shall declare the amount of Project Water estimated to be made available to the Contractor
4 pursuant to this interim renewal contract for the upcoming Year. The declaration will be updated
5 monthly, as necessary, based on current hydrological conditions. The Contracting Officer shall
6 make available the forecast of Project operations, with relevant supporting information, upon the
7 written request of the Contractor or its representatives. Upon written request of the Contractor,
8 the Contracting Officer shall provide the basis of the estimate which shall include, but not be
9 limited to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of
10 Project reservoirs, projected CVPIA impacts, projected Endangered Species Act, and all other
11 regulatory impacts.

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

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

1 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

2 5. (a) The Project Water to be furnished to the Contractor pursuant to this
3 interim renewal contract shall be made available to the Contractor at the El Dorado Hills point of
4 diversion and any other such points of diversion as may be agreed upon by the parties, either on
5 Project facilities or another location or locations mutually agreed to in writing by the Contracting
6 Officer and the Contractor.

7 (b) OMITTED

8 (c) The point of diversion for Project Water required to be delivered to the
9 Contractor by the United States under this interim renewal contract is the El Dorado Hills point
10 of diversion and shall be made available to the Contractor at the El Dorado Hills point of
11 diversion, and at any other such points of diversion as may be agreed upon by the parties, for use
12 within the boundaries of the Contractor's Service Area.

13 (d) Irrigation Water furnished to the Contractor pursuant to this interim
14 renewal contract shall be delivered by the Contractor in accordance with any applicable land
15 classification provisions of Federal Reclamation law and the associated regulations. Project
16 Water shall not be delivered to land outside the Contractor's Service Area unless approved in
17 advance by the Contracting Officer.

18 (e) All Project Water delivered to the Contractor pursuant to this interim
19 renewal contract shall be measured and recorded with equipment furnished, installed, operated,
20 and maintained by the United States at the point or points of delivery established pursuant to
21 subdivision (a) of this Article. Upon the request of either party to this interim renewal contract,

1 the Contracting Officer shall investigate the accuracy of such measurements and shall take any
2 necessary steps to adjust any errors appearing therein. The Contractor shall advise the
3 Contracting Officer on or before the 10th calendar day of each month of the quantity of M&I
4 Water taken during the preceding month.

5 (f) The United States shall not be responsible for the control, carriage,
6 handling, use, disposal, or distribution of Project Water made available to the Contractor
7 pursuant to this interim renewal contract beyond the delivery points specified in subdivision (a)
8 of this Article. The Contractor shall indemnify the United States its officers, employees, agents,
9 and assigns on account of damage or claim of damage of any nature whatsoever for which there
10 is legal responsibility, including property damage, personal injury, or death arising out of or
11 connected with the control, carriage, handling, use, disposal, or distribution of such Project
12 Water beyond such delivery points, except for any damage or claim arising out of (i) acts
13 performed by the United States or any of its officers, employees, agents, or assigns, with the
14 intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the
15 United States or any of its officers, employees, agents, or assigns, or (iii) negligence of the
16 United States or any of its officers, employees, agents, or assigns.

17 MEASUREMENT OF WATER WITHIN THE DISTRICT

18 6. (a) The Contractor shall ensure that, unless the Contractor has established an
19 alternative measurement program satisfactory to the Contracting Officer, all surface water
20 delivered for irrigation purposes within the Contractor's Service Area/boundaries is measured at
21 each agricultural turnout and such water delivered for municipal and industrial purposes is

1 measured at each municipal and industrial service connection. All water measuring devices or
2 water measuring methods of comparable effectiveness must be acceptable to the Contracting
3 Officer. The Contractor shall be responsible for installing, operating, and maintaining and
4 repairing all such measuring devices and implementing all such water measuring methods at no
5 cost to the United States. The Contractor shall use the information obtained from such water
6 measuring devices or water measuring methods to ensure proper management of the water; to bill
7 water users for water delivered by the Contractor; and, if applicable, to record water delivered for
8 municipal and industrial purposes by customer class as defined in its water conservation plan.
9 Nothing herein contained, however, shall preclude the Contractor from establishing and
10 collecting any charges, assessments, or other revenues authorized by California law. The
11 Contractor shall include a summary of its annual surface water deliveries in the annual report
12 described in subdivision (d) of Article 25.

13 (b) To the extent the information has not otherwise been provided, upon
14 execution of this interim renewal contract, the Contractor shall provide to the Contracting Officer
15 a written report describing the measurement devices or water measuring methods used or to be
16 used to implement subdivision (a) of this Article and identifying the agricultural turnouts and the
17 municipal and industrial service connections or alternative measurement programs approved by
18 the Contracting Officer, at which such measurement devices or water measuring methods are
19 being used, and, if applicable, identifying the locations at which such devices and/or methods are
20 not yet being used including a time schedule for implementation at such locations. The
21 Contracting Officer shall advise the Contractor in writing within ninety (90) days as to the

1 adequacy of, and necessary modifications, if any, of the measuring devices or water measuring
2 methods identified in the Contractor's report and if the Contracting Officer does not respond in
3 such time, they shall be deemed adequate. Within six (6) months following the Contracting
4 Officer's response, the parties shall negotiate in good faith the earliest practicable date by which
5 the Contractor shall modify said measuring devices and/or measuring methods as required by the
6 Contracting Officer to ensure compliance with subdivision (a) of this Article.

7 (c) All new surface water delivery systems installed within the Contractor's
8 Service Area/boundaries after the effective date of this interim renewal contract shall also
9 comply with the measurement provisions described in subdivision (a) of this Article.

10 (d) The Contractor shall inform the Contracting Officer and the State of
11 California in writing by April 30 of each Year of the monthly volume of surface water delivered
12 within the Contractor's Service Area/boundaries during the previous Year.

13 RATES AND METHOD OF PAYMENT FOR WATER

14 7. (a) The Contractor shall pay the United States in monthly payments as
15 provided in this Article for the quantities of Delivered Water furnished to the Contractor pursuant
16 to this interim renewal contract. Such payments shall consist of the applicable Rates and
17 Charges determined annually in accordance with applicable Federal law and associated
18 regulations. The Rates and Charges applicable upon execution of this interim renewal contract
19 are set forth in Exhibit "A."

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

1 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
2 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
3 the period October 1 of the current Calendar Year, through September 30, of the following
4 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such
5 calculations. On or before September 15 of each Calendar Year, the Contracting Officer shall
6 notify the Contractor in writing of the Charges to be in effect during the period October 1 of the
7 current Calendar Year, through September 30 of the following Calendar Year, and such
8 notification shall revise Exhibit "A."

9 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
10 shall make available to the Contractor an estimate of the Rates of payment for the following Year
11 and the computations and cost allocations upon which those Rates are based. The Contractor
12 shall be allowed not less than two months to review and comment on such computations and cost
13 allocations. By December 31 of each Calendar Year, the Contracting Officer shall provide the
14 Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall
15 revise Exhibit "A."

16 (c) At the time the Contractor submits the initial schedule for the delivery of
17 Project Water for each Year pursuant to subdivision (b) of Article 4 of this interim renewal
18 contract, the Contractor shall pay the United States the total amount payable pursuant to the
19 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this interim
20 renewal contract during the first two (2) calendar months of the Year. Before the end of the first
21 month or part thereof of the Year, and before the end of each calendar month thereafter, the

1 Contractor shall pay pursuant to the applicable Rate(s) for all Project Water scheduled to be
2 delivered pursuant to this interim renewal contract during the second month immediately
3 following. Adjustments between the payments for the scheduled amount of Project Water and
4 the appropriate payments for quantities of Delivered Water furnished pursuant to this interim
5 renewal contract each month shall be made before the end of the following month: Provided,
6 That any revised schedule submitted by the Contractor pursuant to Article 4 which increases the
7 amount of Project Water to be delivered pursuant to this interim renewal contract during any
8 month shall be accompanied with appropriate payment for Rates to assure that Project Water is
9 not furnished to the Contractor in advance of such payment. In any month in which the quantity
10 of Delivered Water furnished to the Contractor pursuant to this interim renewal contract equals
11 the quantity of Project Water scheduled and paid for by the Contractor, no additional Project
12 Water shall be made available to the Contractor unless and until payment of Rates for such
13 additional Project Water is made. Final adjustment between the payments of Rates for the
14 Project Water scheduled and the quantities of Delivered Water furnished during each Year
15 pursuant to its contract shall be made as soon as possible but no later than April 30th of the
16 following Year.

17 (d) The Contractor shall pay all Charges owing for Delivered Water before the
18 end of the month following the month of delivery. Such amounts shall be consistent with the
19 quantities of Irrigation Water and M&I Water shown in the United States' water delivery report
20 for the subject month. The water delivery report shall be regarded by the Contractor as a bill for
21 the payment of appropriate Charges. Any monthly adjustment for overpayment or underpayment

1 of Charges shall be accomplished through the adjustment of Charges due to the United States in
2 the next month. By March 31, of each Year, the Contractor shall make any additional payment
3 of Charges it is obligated to make for Delivered Water furnished to the Contractor pursuant to its
4 contract for the previous Year. The amount to be paid for past due payment of Charges shall be
5 computed pursuant to Article 19 of this interim renewal contract.

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

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

11 (g) Revenues received by the United States pursuant to this interim renewal
12 contract shall be allocated and applied in accordance with Federal Reclamation law, including
13 but not limited to, subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and
14 subsection (f) of Section 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of
15 Section 3407 of the CVPIA, and the associated regulations, including but not limited to, the
16 Project Irrigation Water ratesetting policy and the Project M&I ratesetting policy promulgated
17 pursuant to the Administrative Procedures Act.

18 (h) At the Contractor's request, the Contracting Officer shall provide to the
19 Contractor an accounting of all of the expenses allocated and the disposition of all revenues
20 received pursuant to this interim renewal contract in sufficient detail to allow the Contractor to
21 determine that the allocation of expenses and disposition of all revenues received was

1 accomplished in conformance with Federal Reclamation law and the associated regulations. The
2 Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any
3 discrepancies or disputes arising out of said accounting of the Contractor's review thereof.

4 (i) The parties acknowledge and agree that the efficient administration of this
5 interim renewal contract is their mutual goal. Recognizing that experience has demonstrated that
6 mechanisms, policies, and procedures used for establishing Rates and Charges, and/or for making
7 and allocating payments, other than those set forth in this Article would be in the mutual best
8 interest of the parties, it is expressly agreed that the parties may enter into agreements for
9 alternative mechanisms, policies, and procedures for any of those purposes while this interim
10 renewal contract is in effect without amending this contract.

11 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

12 8. The Contractor and the Contracting Officer have entered into a written agreement
13 specifying a mutually acceptable mechanism through which the Contractor will retired its
14 outstanding non-interest bearing operation and maintenance deficits. The Contractor and the
15 Contracting Officer concur that at the time of execution of this interim renewal contract, the
16 Contractor has no non-interest bearing operation and maintenance deficits and shall have no
17 further liability therefor.

18 TRANSFERS OR EXCHANGES OF WATER

19 9. (a) The right to Project Water provided for in this interim renewal contract may
20 be sold, transferred, or exchanged to others for beneficial uses within the State of California if
21 such sale, transfer or exchange is authorized by applicable Federal laws, State laws, and

1 applicable guidelines or regulations then in effect. The right to sell, transfer, or exchange Project
2 Water shall include, and the Contracting Officer shall apply this Article in a manner that does not
3 impede or restrict, lawful short-term sales, transfers, or exchanges of the type the Contractor
4 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-
5 7312. No sale, transfer, or exchange of the right to Project Water under this interim renewal
6 contract may take place without the prior written approval of the Contracting Officer.

7 (b) For the purpose of determining whether Section 3405 (a)(1)(M) of the
8 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting
9 Officer acknowledges that the Contractor is within a county, watershed, or other area of origin, as
10 those terms are utilized under California law, of water that constitutes the natural flow of the
11 American River and its tributaries above the confluence of the American and Sacramento Rivers.

12 APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

20 (b) All advances for miscellaneous costs incurred for work requested by the
21 Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has

1 been completed. If the advances exceed the actual costs incurred, the difference will be refunded
2 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
3 billed for the additional costs pursuant to Article 24.

4 TEMPORARY REDUCTIONS--RETURN FLOWS

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

9 (b) The United States may temporarily discontinue or reduce the quantity of
10 Project Water to be delivered to the Contractor as herein provided for the purposes of
11 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or
12 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as
13 feasible the Contracting Officer will give the Contractor due notice in advance of such temporary
14 discontinuance or reduction, except in case of emergency, in which case no notice need be given:
15 Provided, That the United States shall use its best efforts to avoid any discontinuance or
16 reduction in such service. Upon resumption of service after such reduction or discontinuance,
17 and if requested by the Contractor, the United States will, if possible, deliver the quantity of
18 Project Water, which would have been delivered hereunder in the absence of such discontinuance
19 or reduction: Provided further, That with respect to any quantity of Project Water not delivered
20 after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment
21 obligations for such quantity of Project Water.

1 (c) The United States reserves the right to all seepage and return flow water
2 derived from water delivered to the Contractor hereunder which escapes or is discharged beyond
3 the Contractor's Service Area/boundaries: Provided, That this shall not be construed as claiming
4 for the United States any right to seepage or return flow being put to reasonable and beneficial
5 use pursuant to this interim renewal contract within the Contractor's Service Area/boundaries by
6 the Contractor or those claiming by, through, or under the Contractor.

7 WATER SHORTAGE AND APPORTIONMENT

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

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

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

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

5 (d) omitted.

6 UNAVOIDABLE GROUND-WATER PERCOLATION

7 13. *The Contractor shall not be deemed to have furnished Irrigation Water to Excess*
8 *Lands or Ineligible Lands within the meaning of this interim renewal contract if such lands are*
9 *irrigated with ground water that reaches the underground strata as an unavoidable result of the*
10 *furnishing of Irrigation Water by the Contractor to Eligible Lands.*

11 COMPLIANCE WITH FEDERAL RECLAMATION LAW

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

14 WATER AND AIR POLLUTION CONTROL

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

19 QUALITY OF WATER

20 16. (a) Project facilities used to make available and deliver Project Water to the
21 Contractor pursuant to this interim renewal contract shall be operated and maintained to enable
22 the United States to make available and deliver Project Water to the Contractor in accordance
23 with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50

1 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050), or other
2 existing Federal laws. The United States is under no obligation to construct or furnish water
3 treatment facilities to maintain or to better the quality of Project Water furnished to the
4 Contractor pursuant to this contract. The United States does not warrant the quality of Project
5 Water made available and delivered to the Contractor pursuant to this contract.

6 (b) The operation and maintenance of Project facilities shall be performed in
7 such manner as is practicable to maintain the quality of raw water made available through such
8 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
9 Contractor shall be responsible for compliance with all State and Federal water quality standards
10 applicable to surface and subsurface agricultural drainage discharges generated through the use of
11 Federal or Contractor facilities or Project Water provided by the Contractor within the
12 Contractor's Service Area/boundaries. This Article shall not affect or alter any legal obligations
13 of the Secretary to provide drainage services.

14 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
15 FROM THE UNITED STATES

16 17. Water or water rights now owned or hereafter acquired by the Contractor other
17 than from the United States and Irrigation Water furnished pursuant to the terms of this interim
18 renewal contract may be simultaneously transported through the same distribution facilities of the
19 Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water
20 and non-Project water were constructed without funds made available pursuant to Federal
21 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the
22 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive

1 Irrigation Water must be established through the certification requirements as specified in the
2 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
3 Eligible Lands within the Contractor's Service Area/boundaries can be established and the
4 quantity of Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate
5 such Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
6 Project water are constructed with funds made available pursuant to Federal Reclamation law,
7 the non-Project water will be subject to Federal Reclamation law, until such funds have been
8 repaid.

9 OPINIONS AND DETERMINATIONS

10 18. (a) Where the terms of this interim renewal contract provide for actions to be
11 based upon the opinion or determination of either party to this contract, said terms shall not be
12 construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable
13 opinions or determinations. Both parties, notwithstanding any other provisions of this contract,
14 expressly reserve the right to seek relief from and appropriate adjustment, including monetary
15 damages, for any such arbitrary, capricious, or unreasonable opinion or determination. Each
16 opinion or determination by either party shall be provided in a timely manner.

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

1 CHARGES FOR DELINQUENT PAYMENTS

2 19. (a) The Contractor shall be subject to interest, administrative, and penalty
3 charges on delinquent installments or payments. When a payment is not received by the due
4 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond
5 the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an
6 administrative charge to cover additional costs of billing and processing the delinquent payment.
7 When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty
8 charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further,
9 the Contractor shall pay any fees incurred for debt collection services associated with a
10 delinquent payment.

11 (b) The interest charge rate shall be the greater of the rate prescribed quarterly
12 in the Federal Register by the Department of the Treasury for application to overdue payments, or
13 the interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project Act
14 of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and
15 remain fixed for the duration of the delinquent period.

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

19 EQUAL OPPORTUNITY

20 20. During the performance of this contract, the Contractor agrees as follows:

21 (1) The Contractor will not discriminate against any employee or
22 applicant for employment because of race, color, religion, sex, or national origin. The Contractor
23 will take affirmative action to ensure that applicants are employed, and that employees are treated
24 during employment, without regard to their race, color, religion, sex, or national origin. Such
25 action shall include, but not be limited to, the following: Employment, upgrading, demotion, or
26 transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other
27 forms of compensation; and selection for training, including apprenticeship. The Contractor
28 agrees to post in conspicuous places, available to employees and applicants for employment,
29 notices to be provided by the Contracting Officer setting forth the provisions of this
30 nondiscrimination clause.

31 (2) The Contractor will, in all solicitations or advertisements for
32 employees placed by or on behalf of the Contractor, state that all qualified applicants will receive
33 consideration for employment without discrimination because of race, color, religion, sex, or
34 national origin.

35 (3) The Contractor will send to each labor union or representative of
36 workers with which it has a collective bargaining agreement or other contract or understanding, a
37 notice, to be provided by the Contracting Officer, advising the said labor union or workers'
38 representative of the Contractor's commitments under Section 202 of Executive Order 11246 of

1 September 24, 1965, and shall post copies of the notice in conspicuous places available to
2 employees and applicants for employment.

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

6 (5) The Contractor will furnish all information and reports required by
7 said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor,
8 or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting
9 Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with
10 such rules, regulations, and orders.

11 (6) In the event of the Contractor's noncompliance with the
12 nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this
13 contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may
14 be declared ineligible for further Government contracts in accordance with procedures authorized
15 in said amended Executive Order, and such other sanctions may be imposed and remedies
16 invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of
17 Labor, or as otherwise provided by law.

18 (7) The Contractor will include the provisions of paragraphs (1)
19 through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or
20 orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive
21 Order, so that such provisions will be binding upon each subcontractor or vendor. The
22 Contractor will take such action with respect to any subcontract or purchase order as may be
23 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
24 for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or
25 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
26 Contractor may request the United States to enter into such litigation to protect the interests of
27 the United States.

28 GENERAL OBLIGATION--BENEFITS
29 CONDITIONED UPON PAYMENT

30 21. (a) The obligation of the Contractor to pay the United States as provided in
31 this contract is a general obligation of the Contractor notwithstanding the manner in which the
32 obligation may be distributed among the Contractor's water users and notwithstanding the default
33 of individual water users in their obligations to the Contractor.

34 (b) The payment of charges becoming due hereunder is a condition precedent
35 to receiving benefits under this contract. The United States shall not make water available to the
36 Contractor through project facilities during any period in which the Contractor may be in arrears
37 in the advance payment of water rates due the United States. The Contractor shall not furnish
38 water made available pursuant to this contract for lands or parties which are in arrears in the
39 advance payment of water rates levied or established by the Contractor.

1 denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The
2 Contractor is authorized to grant requests by individuals for access to their own records.

3 (e) The Contractor shall forward promptly to the System Manager each
4 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed
5 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System
6 Manager with information and records necessary to prepare an appropriate response to the
7 requester. These requirements do not apply to individuals seeking access to their own
8 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.10, unless the
9 requester elects to cite the Privacy Act as a basis for the request.

10 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

11 24. In addition to all other payments to be made by the Contractor pursuant to this
12 contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill
13 and detailed statement submitted by the Contracting Officer to the Contractor for such specific
14 items of direct cost incurred by the United States for work requested by the Contractor associated
15 with this interim renewal contract plus a percentage of such direct costs for administrative and
16 general overhead in accordance with applicable Bureau of Reclamation policy and procedures.
17 All such amounts referred to in this Article shall not exceed the amount agreed to in writing in
18 advance by the Contractor. This Article shall not apply to costs for routine contract
19 administration.

20 WATER CONSERVATION

21 25. (a) Prior to the delivery of water provided from or conveyed through Federally
22 constructed or Federally financed facilities pursuant to this contract, the Contractor shall be
23 implementing an effective water conservation program based on the Contractor's water
24 conservation plan that has been determined by the Contracting Officer to meet the conservation
25 and efficiency criteria established under Federal law. The water conservation program shall
26 contain definite water conservation objectives, appropriate economically feasible water
27 conservation measures, and time schedules for meeting those objectives.

1 (b) Should the combined amount of M&I Water delivered pursuant to
2 subdivision (a) of Article 3 during the term of this interim renewal contract equal or exceed
3 2,000 acre-feet , the Contractor shall implement the Best Management Practices identified by and
4 the time frames issued by the California Urban Water Conservation Council unless any such
5 practice is determined by the Contracting Officer to be inappropriate for the Contractor.

6 (c) As part of the water conservation program, the Contractor shall develop
7 and be implementing a tiered block water pricing program that promotes conservation and the
8 efficient management of Project Water during the term of this contract. Such pricing program for
9 Project Water shall take into account all relevant circumstances, including without limitation,
10 water shortages imposed under this interim renewal contract and the availability and cost of the
11 Contractor's and individual water user's non-Project alternative sources of supply, including
12 ground water and other non-Project water supplies, so that the Contractor's pricing structure
13 provides incentives for conservation and the efficient management of overall water supply
14 available to water users served by the Contractor. Provided, That no such tiered block water
15 pricing program need be implemented by the Contractor if the Contracting Officer determines,
16 based on information provided by the Contractor, that (i) such a pricing structure will not result
17 in significant conservation of water available for use within the Contractor's service area,
18 including ground water or (ii) other pricing program, conservation or management measures are
19 more appropriate and/or will result in comparable or better conservation of the water supplies
20 available within the Contractor's boundaries. Provided further, If the Contractor fails to, or elects
21 not to, comply with this subdivision of Article 25, then any subsequent interim renewal contract
22 shall contain a tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of
23 the CVPIA.

1 (d) The Contractor shall submit to the Contracting Officer by
2 December 31, of each Calendar Year, an annual report on the status of its implementation of the
3 water conservation program.

4 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

5 26. Except as specifically provided in Article 17 of this contract, the provisions of this
6 interim renewal contract shall not be applicable to or affect water or water rights now owned or
7 hereafter acquired by the Contractor or any user of such water within the Contractor's Service
8 Area/boundaries from other than the United States by the Contractor. Any such water shall not
9 be considered Project Water under this contract. In addition, this interim renewal contract shall
10 not be construed as limiting or curtailing any rights which the Contractor or any water user
11 within the Contractor's Service Area/boundaries acquires or has available under any other
12 contract pursuant to the Federal Reclamation law.

13 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

14 27. The expenditure or advance of any money or the performance of any obligation of
15 the United States under this contract shall be contingent upon appropriation or allotment of
16 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
17 obligations under this contract. No liability shall accrue to the United States in case funds are not
18 appropriated or allotted.

19 BOOKS, RECORDS, AND REPORTS

20 28. The Contractor shall establish and maintain accounts and other books and records
21 pertaining to administration of the terms and conditions of this contract, including: the
22 Contractor's financial transactions, water supply data, and Project land and right-of-way
23 agreements; the water users' land-use (crop census), landownership, land-leasing and water use
24 data; and other matters that the Contracting Officer may require. Reports thereon shall be
25 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
26 Officer may require. Subject to applicable Federal laws and regulations, each party to this
27 contract shall have the right during office hours to examine and make copies of the other party's
28 books and records relating to matters covered by this contract.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

1
2 29. (a) The provisions of this contract shall apply to and bind the successors and
3 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest
4 therein shall be valid until approved in writing by the Contracting Officer.

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

SEVERABILITY

8
9 30. In the event that a person or entity who is neither (i) a party to a Project interim
10 renewal contract, nor (ii) a person or entity that receives Project Water from a party to a Project
11 interim renewal contract, nor (iii) an association or other form of organization whose primary
12 function is to represent parties to Project interim renewal contracts, brings an action in a court of
13 competent jurisdiction challenging the legality or enforceability of a provision included in this
14 interim renewal contract and said person, entity, association, or organization obtains a final court
15 decision holding that such provision is legally invalid or unenforceable and the Contractor has
16 not intervened in that lawsuit in support of the plaintiff(s), the parties to this interim renewal
17 contract shall use their best efforts to (i) within thirty (30) days of the date of such final court
18 decision identify by mutual agreement the provisions in this interim renewal contract which must
19 be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate
20 revision(s). The time periods specified above may be extended by mutual agreement of the
21 parties. Pending the completion of the actions designated above, to the extent it can do so
22 without violating any applicable provisions of law, the United States shall continue to make the
23 quantities of Project Water specified in this interim renewal contract available to the Contractor
24 pursuant to the provisions of this interim renewal contract, which were not found to be legally
25 invalid or unenforceable in the final court decision.

1

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

2

contract as of the day and year first above written.

3

THE UNITED STATES OF AMERICA

4

By: /s/ Lowell F. Ploss

5

FOR Regional Director, Mid-Pacific Region

6

Bureau of Reclamation

7

(SEAL)

EL DORADO IRRIGATION DISTRICT

8

By: /s/ Dirk Gillmeister

9

President

10

El Dorado Irrigation District

11

Attest:

12

By: /s/ Tina Sievert

13

Secretary

14

El Dorado Irrigation District

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY

/s/ James E. Turner

OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

15

(I:Eldor~1.wpd)

CONTRACT NUMBER 14-06-200-7312-IR⁴ ^{N/A}
 EL DORADO IRRIGATION DISTRICT
 Lake Hills Estate

2001 Rates Per Acre-Foot
 M&I
 Water

O&M AND COST-OF-SERVICE RATES:

Capital Rates:	\$7.63
O&M Rates:	
Water Marketing	\$7.00
Storage	\$4.47
Conveyance	*
Tracy Pumping	*
Deficit	2.74

TOTAL COST-OF-SERVICE RATES:

\$21.84 **

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.

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

SURCHARGES UNDER P.L. 102-575
 TO RESTORATION FUND***

Restoration Payments [3407(d)(2)(A)] \$14.56

* Conveyance and Conveyance Pumping Operation and maintenance costs were removed for ratesetting purposes and are to be billed directly to the water authorities.

** Central Valley Project M&I Ratesetting Policy requires a minimum \$15.00 Cost of Service rate.

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