

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

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
COLUSA DRAIN MUTUAL WATER COMPANY
PROVIDING FOR REPLACEMENT WATER

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1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 CENTRAL VALLEY PROJECT, CALIFORNIA

5 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
6 COLUSA DRAIN MUTUAL WATER COMPANY
7 PROVIDING FOR REPLACEMENT WATER

8 THIS CONTRACT, hereinafter referred to as "Contract," is entered into by THE
9 UNITED STATES OF AMERICA, hereinafter referred to as the United States, made this _____
10 day of _____, 20____, pursuant to the applicable authority granted to it
11 generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
12 thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and
13 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, including but not
14 limited to Sections 9 and 14 thereof, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68),
15 October 12, 1982 (96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title
16 XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as
17 Federal Reclamation law, and COLUSA DRAIN MUTUAL WATER COMPANY, hereinafter
18 referred to as the Contractor, acting pursuant to Sections 12003 and 12004 of the California Water
19 Code;

20 WITNESSETH, That:

21 EXPLANATORY RECITALS

22 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
23 Project (Project), California, for multiple purposes pursuant to its statutory authority; and

1 [2nd] WHEREAS, the Contractor was formed to represent numerous individual Water
2 Users who are diverting water from the Colusa Basin Drain for agricultural use on lands within the
3 Contractor's Service Area; and

4 [3rd] WHEREAS, the California State Water Resources Control Board in its Decision
5 1045 adopted November 13, 1961, determined that even though water is physically available for
6 appropriation in the Colusa Basin Drain the flows in the Colusa Basin Drain during certain times
7 are needed to satisfy senior water rights along the Sacramento River and in the Delta below the
8 mouth of the Colusa Basin Drain; and

9 [4th] WHEREAS, Decision 1045 determined diversions from the Colusa Basin Drain
10 could be made during those times provided an alternate source of water is made available to
11 satisfy the senior water rights along the Sacramento River and in the Sacramento-San Joaquin
12 Delta below the mouth of the Colusa Basin Drain, and the State Water Resources Control Board
13 suggested stored water from the Project as a possible alternate source; and

14 [5th] WHEREAS, the Water Users who are diverting water from the Colusa Basin Drain
15 are impacting the flow of the Sacramento River causing the Project to make releases to meet the
16 senior water rights of users along the Sacramento River and in the Sacramento-San Joaquin Delta
17 below the mouth of the Colusa Basin Drain which are deprived of their water because of the Water
18 Users' diversions from the Colusa Basin Drain; and

19 [6th] WHEREAS, the Contractor asserts their Water Users' water rights on the Drain are
20 not deficient; and

21 [7th] WHEREAS, the objectives of this Contract are to (1) assure the Contractor that
22 there is an alternate source of water available from the Project which will be released into the
23 Sacramento River to meet senior water rights along said River and in the Sacramento-San Joaquin
24 Delta below the mouth of the Colusa Basin Drain that are depleted by the Contractor's diversion
25 of water, and (2) assure the United States reimbursement by the Contractor for such release into

1 said River, thereby eliminating objections by the United States to diversions of water from the
2 Drain by the Contractor's Water Users pursuant to this Contract.

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

5 DEFINITIONS

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

8 (a) "Basin-Wide Water Management Plan" shall mean the mutually agreeable
9 Sacramento River Basinwide Water Management Plan, dated _____, developed by Glenn-
10 Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual Water Company,
11 Pelger Mutual Water Company, Princeton-Codora-Glenn Irrigation District, Provident Irrigation
12 District, Reclamation District 108, Sutter Mutual Water Company, Anderson-Cottonwood
13 Irrigation District, Meridian Farms Water Company, Reclamation District 1004, and the
14 U.S. Bureau of Reclamation;

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

19 (c) "Colusa Basin Drain" or "Drain" shall mean an earthen drainage channel
20 approximately 70 miles long beginning northeast of Willows, California, near the Sacramento
21 River, extending southerly and flowing into the Sacramento River via the Knights Landing outfall
22 gates located at the River and the Yolo Bypass via the Knights Landing Ridge Cut, and for
23 purposes of this Contract shall include any tributaries to the Colusa Basin Drain within the
24 Contractor's Service Area;

1 (d) “Contractor’s Service Area” shall mean the area shown in Exhibit A as
2 attached hereto which comprises the maximum area within which shares of stock of the Contractor
3 may be issued and made appurtenant to the land pursuant to the Contractor’s Articles of
4 Incorporation;

5 (e) “Crop Irrigation Requirement” shall mean the quantity of water
6 consumptively used by each crop less the effective rainfall that each crop receives. For purposes
7 of this Contract, the Crop Irrigation Requirement is specified in Exhibit B;

8 (f) “CVPIA” shall mean the Central Valley Project Improvement Act, Title
9 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

10 (g) “Eligible Lands” shall mean all lands to which Project Water may be
11 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
12 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

13 (h) “Excess Lands” shall mean all lands in excess of the limitations contained
14 in Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal
15 Reclamation law;

16 (i) “Full Cost Rate” shall mean that water rate described in Sections 205(a)(3)
17 or 202(3) of the RRA, whichever is applicable;

18 (j) “Ineligible Lands” shall mean all lands to which Project Water may not be
19 delivered in accordance with Section 204 of the RRA;

20 (k) “Landholder” shall mean a party that directly or indirectly owns or leases
21 nonexempt land, as provided in 43 CFR 426.2;

22 (l) “Noncrop Consumptive Use” shall mean that quantity of water that
23 evaporates from water surfaces or is consumed by native vegetation while Water is being

1 conveyed to or from the Contractor's irrigated acreage. For purposes of this Contract, the quantity
2 of Noncrop Consumptive Use shall be assumed to equal 10 percent of the Crop Irrigation
3 Requirement;

4 (m) "Project" shall mean the Central Valley Project owned by the United States
5 and managed by the Department of the Interior, Bureau of Reclamation;

6 (n) "Project Water" shall mean water released from Project facilities pursuant
7 to this Contract for the purpose of replacing water diverted by the Contractor from the Drain
8 which is needed to satisfy the senior water rights along the Sacramento River and the Sacramento-
9 San Joaquin Delta below the mouth of the Drain;

10 (o) "Rates" shall mean the payments for Project Water determined annually by
11 the Contracting Officer in accordance with the then current applicable water ratesetting policies
12 for the Project, as described in subdivision (a) of Article 5 of this Contract;

13 (p) "Secretary" or "Contracting Officer" shall mean the Secretary of the
14 Interior, a duly appointed successor, or an authorized representative acting pursuant to any
15 authority of the Secretary and through any agency of the Department of the Interior;

16 (q) "Water User" shall mean a shareholder of the Contractor whose shares
17 cover lands within the Contractor's Service Area and who diverts water from the Drain pursuant to
18 one or more water rights;

19 (r) "Year" shall mean the period from and including March 1 of each calendar
20 year through the last day of February of the following calendar year.

1 TERM OF CONTRACT

2 2. (a) This Contract shall be effective March 1, 2005, through February 28, 2045.
3 In the event the Contractor wishes to renew the Contract beyond February 28, 2045, the
4 Contractor shall submit a request for renewal in writing to the Contracting Officer no later than
5 2 years prior to the date this Contract expires. The renewal of this Contract shall be governed by
6 subdivision (b) of this Article.

7 (b) (1) Under terms and conditions of a renewal contract that are mutually
8 agreeable to the parties hereto, and upon a determination by the Contracting Officer that at the
9 time of contract renewal the conditions set forth in subdivision (b)(2) of this Article are met, and
10 subject to Federal and State law, this Contract shall be renewed for a period of 40 years.

11 (2) The conditions which must be met for this Contract to be renewed
12 are: (i) the Contractor has prepared a water conservation plan that has been determined by the
13 Contracting Officer in accordance with Article 21 of this Contract to meet the conservation and
14 efficiency criteria for evaluating such plans established under Federal law; (ii) the Contractor is
15 implementing an effective water conservation and efficiency program based on the Contractor's
16 water conservation plan as required by Article 21 of this Contract; (iii) the Contractor has
17 reasonably and beneficially used the Project Water supplies made available to it and, based on
18 projected demands, is reasonably anticipated and expects fully to utilize for reasonable and
19 beneficial use the quantity of Project Water to be made available to it pursuant to such renewal;
20 (iv) the Contractor is complying with all terms and conditions of this Contract; and (v) the
21 Contractor has the continued legal ability to act on behalf of its Water Users with regard to the
22 Project Water to be made available under this Contract.

23 (3) The terms and conditions of the renewal contract described in
24 subdivision (b)(1) of this Article and any subsequent renewal contracts shall be developed
25 consistent with the parties' respective legal rights and obligations, and in consideration of all

1 relevant facts and circumstances, as those circumstances exist at the time of renewal, including,
2 without limitation, the Contractor's need for continued delivery of Project Water; environmental
3 conditions affected by implementation of the Contract to be renewed, and specifically changes in
4 those conditions that occurred during the life of the Contract to be renewed; the Secretary's
5 progress toward achieving the purposes of the CVPIA as set out in Section 3402 and in
6 implementing the specific provisions of the CVPIA; and current and anticipated economic
7 circumstances of the region served by the Contractor.

8 (c) The Contracting Officer shall make a determination 10 years after the date
9 of execution of this Contract, and every 5 years thereafter during the term of this Contract, of
10 whether a conversion to a contract under said subsection 9(d) can be accomplished pursuant to the
11 Act of July 2, 1956 (Public Law 643). Notwithstanding any provision of this Contract, the
12 Contractor reserves and shall have all rights and benefits under Public Law 643. The Contracting
13 Officer anticipates that during the term of this Contract, all authorized Project construction
14 expected to occur will have occurred, and on that basis the Contracting Officer agrees upon such
15 completion to allocate all costs that are properly assignable to the Contractor, and agrees further
16 that, at any time after such allocation is made, and subject to satisfaction of the condition set out in
17 this subdivision, this Contract shall, at the request of the Contractor, be converted to a contract
18 under subsection (d), Section 9 of the Reclamation Project Act of 1939, subject to applicable
19 Federal law and under stated terms and conditions mutually agreeable to the Contractor and the
20 Contracting Officer. A condition for such conversion to occur shall be a determination by the
21 Contracting Officer that, account being taken of the amount credited to return by the Contractor as
22 provided for under Reclamation law, the remaining amount of construction costs assignable for
23 ultimate return by the Contractor can probably be repaid to the United States within the term of a
24 contract under said subsection (d). If the remaining amount of costs that are properly assignable to
25 the Contractor cannot be determined during the term of this Contract, the Contracting Officer shall

1 notify the Contractor, and provide the reason(s) why such a determination could not be made.
2 Further, the Contracting Officer shall make such a determination as soon thereafter as possible so
3 as to permit, upon request of the Contractor and satisfaction of the condition set out above,
4 conversion to a contract under said subsection (d). In the event such determination of costs has
5 not been made at a time which allows conversion of this Contract during the term of this Contract
6 or the Contractor has not requested conversion of this Contract within such term, the parties shall
7 incorporate in any subsequent renewal contract as described in subdivision (b) of this Article a
8 provision that carries forth in substantially identical terms the provisions of this subdivision.

9 (d) The Contractor's right to the beneficial use of water from the Drain shall
10 not be disturbed so long as the Contractor fulfills all of its obligations under this Contract and any
11 such renewal.

12 WATER RELEASED FOR THE CONTRACTOR

13 3. (a) Subject to the terms and conditions hereinafter stated, the Contractor may
14 divert a water supply from the Drain for beneficial use by the Water Users, and the United States
15 shall replace with Project Water the quantity of all water depleted from the Sacramento River
16 system as a result of such diversion in accordance with subdivision (d) of this Article: Provided,
17 that the maximum quantity of Project Water released by the United States pursuant to this
18 Contract shall not exceed 70,000 acre-feet in any Year and the Contractor's diversions from the
19 Drain shall not deplete all water in the Sacramento River system by more than 70,000 acre-feet in
20 any Year absent a subsequent agreement between the Contractor and the Contracting Officer. In
21 any given Year, the quantity of Project Water released by the United States pursuant to this
22 Contract shall: (i) not exceed the sum of 30,000 acre-feet plus the product of 1.832 acre-feet per
23 acre times the number of acres, in excess of 16,000, within the Contractor's Service Area ordering
24 water from the Contractor; and (ii) be reduced by the quantity of water acquired by the Contractor
25 pursuant to Article 12 below.

1 (b) The Contractor agrees that it or its Water Users receiving benefits under this
2 Contract have or will attempt to obtain a water right with the State Water Resources Control
3 Board allowing it or them to divert water from the Drain for agricultural purposes.

4 (c) The Contractor shall submit to the Contracting Officer on or before May 15
5 of each Year an estimate for that Year of the total number of acres to be irrigated by the Water
6 Users, a map designating the location of those acres, the projected cropping pattern of those acres
7 and a list of the Water Users identifying their diversion points, their respective water right permit
8 or license numbers and the source and quantity of other water available to each Water User
9 exclusive of this Contract as provided for in subdivision (g). The Contractor shall submit a final
10 report to the Contracting Officer on or before July 1 showing any revisions to the estimate
11 previously submitted. If, at any time, the Contractor determines acreage in addition to that
12 specified in the final report will be irrigated that Year, the Contractor will report such additional
13 acreage, the location and cropping pattern of that acreage, and source of water, and will submit
14 payment for such additional acreage computed in accordance with this Article and Article 5 to the
15 Contracting Officer prior to the delivery of water to that acreage.

16 (d) The quantity of Project Water released shall be determined by the
17 Contracting Officer. The quantity of Project Water for which the Contractor shall pay in
18 accordance with Article 5, shall be based on the final report submitted by the Contractor as
19 approved by the Contracting Officer and computed as follows: The Contracting Officer shall add
20 the Crop Irrigation Requirements and the Noncrop Consumptive Uses for the total acreage
21 reported and subtract from that quantity the amount of Contractor's water rights water for which
22 the Contractor is to be credited pursuant to subdivision (e) of this Article and water available from
23 other sources pursuant to subdivision (g). The Crop Irrigation Requirement and the Noncrop
24 Consumptive Use factor as specified in Exhibit B may be adjusted by written mutual agreement at
25 5-year intervals.

1 reasonable time as may be necessary to satisfy the operating requirement of the Contracting
2 Officer, the Contracting Officer may cause such readjustments, repairs, or replacements to be
3 made and the costs thereof charged to the Contractor, which charge the Contractor shall pay to the
4 Contracting Officer on or before January 31 of the Year following that in which the cost was
5 incurred and in accordance with a statement furnished by the Contracting Officer.

6 RATES AND METHOD OF PAYMENT FOR WATER

7 6 (a) The Contractor shall pay the United States as provided in this Article for all
8 Project Water at Rates and Charges established in accordance with: (i) the Secretary's then
9 current ratesetting policies for the Project; and (ii) applicable Reclamation law and associated
10 rules and regulations, or policies; Provided, that if the Contractor desires to use Project Water for
11 other than agricultural use the Rates and Charges set forth above will be adjusted by the
12 Contracting Officer to the applicable Rates and Charges for such use. The Rates and Charges
13 applicable to the Contractor upon execution of this Contract are set forth in Exhibit D, as may be
14 revised annually. The Secretary's ratesetting policies for the Project shall be amended, modified,
15 or superseded only through a public notice and comment procedure.

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

18 (1) Prior to July 1 of each Year, the Contracting Officer shall provide
19 the Contractor an estimate of the Charges for Project Water that will be applied to the period
20 October 1, of the current Year, through September 30, of the following Year, and the basis for
21 such estimate. The Contractor shall be allowed not less than 2 months to review and comment on
22 such estimates. On or before September 15 of each Year, the Contracting Officer shall notify the
23 Contractor in writing of the Charges to be in effect during the period October 1 of the current
24 Year, through September 30, of the following Year, and such notification shall revise Exhibit "D."

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

7 (c) On or before May 15 of each Year, the Contractor shall pay 50 percent of
8 the total amount due that Year based on the May 15 estimate submitted by the Contractor and
9 computed pursuant to Article 3 and subdivision (a) above. The remainder of the total amount due
10 shall be paid on or before July 1 of each Year, or at such later date or dates as may be specified by
11 the Contracting Officer, based on the July 1 final report submitted by the Contractor and computed
12 pursuant to Article 3 and subdivision (a) above.

13 (d) Payments to be made by the Contractor to the United States under this
14 Contract may be paid from any revenues available to the Contractor.

15 (1) All revenues received by the United States from the Contractor
16 relating to the delivery of Project Water or the delivery of non-Project water through Project
17 facilities shall be allocated and applied in accordance with Federal Reclamation law and the
18 associated rules or regulations, and the then-current Project ratesetting policies for irrigation water.

19 (e) The Contracting Officer shall keep its accounts pertaining to the
20 administration of the financial terms and conditions of its long-term water service contracts and
21 Sacramento River Settlement Contracts, in accordance with applicable Federal standards, so as to
22 reflect the application of Project costs and revenues. The Contracting Officer shall, each Year
23 upon request of the Contractor, provide to the Contractor a detailed accounting of all Project and
24 Contractor expense allocations, the disposition of all Project and Contractor revenues, and a
25 summary of all water delivery information. The Contracting Officer and the Contractor shall enter

1 into good faith negotiations to resolve any discrepancies or disputes relating to accountings,
2 reports, or information.

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

10 (g) For the term of this Contract, Rates under the respective ratesetting policies
11 for the Project will be established to recover only reimbursable operation and maintenance
12 (including any deficits) and capital costs of the Project, as those terms are used in the then-current
13 Project ratesetting policies, and interest, where appropriate, except in instances where a minimum
14 Rate is applicable in accordance with the relevant Project ratesetting policy. Proposed changes of
15 significance in practices which implement the ratesetting policies for the Project will not be
16 implemented until the Contracting Officer has provided the Contractor an opportunity to discuss
17 the nature, need, and impact of the proposed change. The Contractor retains all rights to challenge
18 the validity of Rates and Charges imposed pursuant to this Contract, including but not limited to
19 operation and maintenance expenses and operation and maintenance deficits, in an appropriate
20 administrative or judicial proceeding.

21 (h) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting
22 Officer is authorized to adjust determinations of ability to pay every 5 years.

23 (i) Each payment to be made pursuant to subdivisions (a) and (b) of this Article
24 shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region, File No. 11546,

1 P. O. Box 6000, San Francisco, California 94160-1546, or at such other place as the United States
2 may designate in a written notice to the said Contractor. Payments shall be made by cash
3 transaction, electronic funds transfer, or any other mechanism as may be agreed to in writing by
4 the Contractor and the Contracting Officer. In the event there should be a default in the payment
5 of the amount due, the delinquent payment provisions of Article 16 shall apply. The Contractor
6 shall not be relieved of the whole or any part of its said obligation by, on account of, or
7 notwithstanding, as the case may be:

8 (1) Its inability, failure, refusal, or neglect to utilize the quantities of
9 water required for the acreages submitted by the Contractor in the final report submitted pursuant
10 to subdivision (c) of Article 3;

11 (2) The default in payment to it by any water user of assessments, tolls,
12 or other charges levied by or owing to said Contractor;

13 (3) Any judicial determination that any assessment, toll, or other
14 charges levied by or owing to said Contractor is irregular, void, or ineffectual; or

15 (4) Any injunctive process enjoining or restraining the Contractor from
16 making or collecting any such assessment, toll, or other charges levied by or owing to said
17 Contractor.

18 ADJUSTMENTS

19 7. The Contracting Officer shall review the final report submitted by the Contractor
20 pursuant to subdivision (c) of Article 3, and if any additional payment is required, the Contractor
21 shall make such payment within 30 days of receipt of a written notice by the Contracting Officer.
22 If it is determined an overpayment was made by the Contractor after review of the final report or
23 by reason of a water shortage for purposes of this Contract as conclusively determined by the
24 Contracting Officer, the overpayment shall be applied first to any accrued indebtedness arising out

1 of this Contract then due and owing to the United States by the Contractor. Any amount of such
2 overpayment then remaining shall, at the option of the Contractor, be refunded to the Contractor or
3 credited upon amounts to become due to the United States from the Contractor under the
4 provisions hereof in the ensuing Year.

5 USE OF WATER FURNISHED TO CONTRACTOR

6 8. (a) Water diverted from the Drain which is replaced with Project Water shall
7 not be delivered to Excess Lands. The Contractor shall be deemed to be in breach of this Contract
8 if at any time there is furnished to any Excess Lands a quantity of water which is greater than that
9 quantity which the Contractor or its Water Users are entitled to divert absent the release of Project
10 Water pursuant to this Contract.

11 (b) Water diverted from the Drain which is replaced with Project Water shall
12 not be used by the Contractor for any purpose other than the commercial production of agricultural
13 crops on tracts of land operated in units of more than 5 acres including livestock, incidental
14 domestic use, or underground water replenishment without written consent of the Contracting
15 Officer.

16 (c) Water diverted from the Drain which is being replaced with Project Water
17 shall not be sold, exchanged, or otherwise disposed of except to a Water User for use within the
18 Contractor's Service Area upon lands for which stock of the Contractor has been issued without
19 prior written consent by the Contracting Officer.

20 (d) The Contracting Officer shall have the right of ingress to and egress from
21 all lands shown in Exhibit A for purposes of assuring compliance with the Contract during the
22 months of June through September of each Year.

23 (e) The Contractor will use all proper methods to secure the economical and
24 beneficial use of water diverted from the Drain.

1 CHANGES IN CONTRACTOR’S BOUNDARIES OR POINTS OF DIVERSION

2 9. While this Contract is in effect, no change shall be made in the Contractor’s
3 Service Area by inclusion, exclusion, annexation, or detachment of lands, by dissolution,
4 consolidation, merger, or otherwise, except upon the Contracting Officer’s written consent.

5 UNITED STATES TO BE HELD HARMLESS

6 10. (a) The United States shall not be responsible for the control, carriage,
7 handling, use, disposal, or distribution of water by the Contractor. The Contractor shall indemnify
8 and hold the United States harmless from any and all damage and claims of damage of any nature
9 whatsoever for which there is legal responsibility, including property damage, personal injury or
10 death arising out of or connected with the Contractor’s control, carriage, handling, use, disposal,
11 or distribution of such water.

12 (b) The United States shall not be responsible for and makes no representation,
13 warranty or assurance with respect to the quantity, quality, or origin of water in the Drain. The
14 Contractor shall indemnify and hold the United States harmless from any and all damage and
15 claims of damage arising out of or connected with any inadequacy in the quantity or quality of
16 water in the drain as a result of this Contract or the Contractor’s impairment of any existing rights
17 on the Drain above the Knights Landing outfall gates.

18 (c) The United States shall not be responsible to the Contractor or its Water
19 Users for the operation or maintenance of the Drain or cost of such operation and maintenance.
20 The Contractor shall indemnify and hold the United States harmless from any and all damage and
21 claims of damage arising out of or connected with the operation or maintenance of the Drain as a
22 result of this Contract.

23 TEMPORARY REDUCTIONS

24 11. (a) The United States may temporarily discontinue or reduce the quantity of
25 Project Water to be released for the Contractor as herein provided for the purposes of

1 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any
2 part thereof necessary for the release of Project Water for the Contractor. So far as feasible, the
3 United States will give the Contractor due notice in advance of such temporary discontinuance or
4 reduction, except in case of emergency, in which case no notice need be given: Provided,
5 however, that the United States shall use its best efforts to avoid any discontinuance or reduction
6 in service.

7 (b) The Contractor shall reduce the acreage served under this Contract from the
8 Drain accordingly, if such temporary reduction or discontinuance of service as described in
9 subdivision (a) of this Article is required.

10 (c) The Contractor shall not be obligated to pay for Project Water that is not
11 released by the United States pursuant to this Article.

12 WATER ACQUIRED BY CONTRACTOR
13 OTHER THAN FROM THE UNITED STATES

14 12. The provisions of this Contract shall apply only to the quantity of water diverted by
15 the Contractor from the Drain for which the United States releases Project Water pursuant to the
16 terms hereof and the quantity of water acquired by or available to the Contractor other than from
17 the United States shall not in any manner be subject to the provisions of this Contract but shall be
18 consistent with the provisions of this Contract as adequate to satisfy the Crop Irrigation
19 Requirement and Water Right Deficiencies set forth in Exhibits B and C.

20 AGREEMENT OF WATER QUANTITIES

21 13. (a) During the term of this Contract and any renewal thereof, this Contract shall
22 constitute full agreement between the United States and the Contractor as to the impact of the
23 Contractor's diversions of water from the Drain on the Project. It shall establish the quantities of
24 Project Water the Contracting Officer shall release and the Contractor shall pay for and shall
25 enable the Contractor to divert water from the Drain for beneficial use on the land shown on

1 Exhibit A in accordance with the terms and conditions of this Contract. Said diversion and use
2 shall not be disturbed so long as the Contractor shall fulfill all of its obligations hereunder, and the
3 Contractor shall not claim any rights against the United States in conflict with the provisions
4 hereof.

5 (b) In the event of a general adjudication of rights to the use of water of the
6 Colusa Basin Drain or the Sacramento River System, this Contract shall not jeopardize the rights
7 or position of either party thereto or of any other person, and the rights of all such persons in
8 respect to the use of such water shall be determined in such proceedings the same as if this
9 Contract had not been entered into. The parties hereto agree to amend or terminate this Contract
10 to conform with such adjudication if necessary.

11 (c) In the event that the California State Water Resources Control Board or a
12 court of competent jurisdiction issues a final decision or order modifying the terms and conditions
13 of the water rights of either party to this Contract in order to impose Bay-Delta water quality
14 obligations, the Contractor and the United States shall promptly meet to determine whether or not
15 to modify any of the terms of this Contract to comply with the final decision or order. If within 60
16 days of the date of the issuance of the final decision or order the parties are not able to reach
17 agreement regarding either the need to modify this Contract or the manner in which this Contract
18 is to be modified, the parties shall promptly retain a neutral mediator, experienced in resolving
19 water right disputes, to assist the parties in resolving their dispute. The cost of the mediator shall
20 be shared equally. In the event that either of the parties to this Contract determines that the parties
21 will not be able to develop mutually-agreeable modification(s) to this Contract even with the
22 assistance of a mediator, either of the parties to this Contract may attempt to resolve the impasse
23 by seeking appropriate judicial relief including, but not limited to, filing a general adjudication of
24 the rights to the use of water in the Sacramento River system. The foregoing provisions of this
25 subarticle shall only apply to the incremental obligations contained within a final decision or order

1 of the State Water Resources Control Board that reflects a modification to the obligations imposed
2 in State Water Resources Control Board Revised Water Rights Decision 1641 dated March 15,
3 2000, and its associated 1995 Water Quality Control Plan which, taken together, will be
4 considered the baseline for the application of the provisions of this subarticle.

5 (d) In the event this Contract terminates, the right of the parties to thereafter
6 divert and use water shall exist as if this Contract had not been entered into.

7 COMPLIANCE WITH RECLAMATION LAWS

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

13 WATER SHORTAGE AND APPORTIONMENT

14 15. (a) In its operation of the Project, the United States will use all reasonable
15 means to guard against a condition of shortage in the quantity of Project Water available for
16 release pursuant to this Contract. Nevertheless, if a shortage does occur during any Year because
17 of drought, or other causes which, in the opinion of the Contracting Officer, are beyond the control
18 of the United States, no liability shall accrue against the United States or any of its officers,
19 agents, or employees for any damage, direct or indirect, arising therefrom.

20 (b) In any Year that the Contracting Officer determines that there is a shortage
21 in the quantity of water available to customers of the United States from the Project, the
22 Contracting Officer will apportion available water among the Contractor and other Project
23 contractors in such manner as he deems equitable and physically possible consistent with existing
24 contracts and Project authorizations.

25 (1) During such water-short Years when less than 22,200 acres of land
26 within the Contractor's Service Area order water from the Contractor, the quantity of acreage the
27 Contractor may irrigate from the Drain shall be reduced to the extent determined by the

1 Contracting Officer to be necessary to reduce the quantity of Project Water released pursuant to
2 this Contract to a level consistent with deliveries to Project water service contractors located north
3 of the Sacramento-San Joaquin River Delta.

4 (2) During such water-short Years when 22,200 to 29,600 acres of land
5 within the Contractor's Service Area order water from the Contractor, the quantity of acreage the
6 Contractor may irrigate from the Drain shall be increased by an amount equal to 25 percent of the
7 difference between the contractual allocations to the Sacramento River Settlement Contractors
8 and the contractual allocations to Project water service contractors located north of the
9 Sacramento-San Joaquin River Delta.

10 (3) During such water-short Years when 29,600 acres of land within the
11 Contractor's Service Area order water from the Contractor, the quantity of acreage the Contractor
12 may irrigate from the Drain shall be increased by an amount equal to 50 percent of the difference
13 between the contractual allocations to the Sacramento River Settlement Contractors and the
14 contractual allocations to Project water service contractors located north of the Sacramento-San
15 Joaquin River Delta.

16 (4) The United States and the Contractor shall work cooperatively and
17 collaboratively with the State of California, local water districts, and other appropriate
18 organizations to increase the quantity of land owning stock in the Contractor, to increase the
19 number of stockholding acres purchasing water pursuant to the terms of this Contract, and to take
20 appropriate actions to prevent the diversion from the Drain of water not ordered from the
21 Contractor. As part of such collaborative efforts, the Contractor shall maintain in effect, at all
22 times during the term of this Contract, a policy that requires a Water User that has not ordered
23 water for at least the 2 years preceding a water-short Year to pay the Contractor for water
24 diverted from the Drain during those prior years as well as to pay for water to be diverted during
25 the water-short Year.

1 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

2 16. The Contractor and United States desire to work together to maximize the
3 reasonable beneficial use of water for their mutual benefit. As a consequence, the United States
4 and the Contractor will work in partnership and with others within the Sacramento Valley,
5 including other Contractors, to facilitate the better integration within the Sacramento Valley of all
6 water supplies included, but not limited to, the better management and integration of surface water
7 and groundwater, the development and better utilization of surface water storage, the effective
8 utilization of waste, seepage and return flow water, and other operational and management options
9 that may be identified in the future.

10 OPINIONS AND DETERMINATIONS

11 17. (a) Where the terms of this Contract provide for actions to be based upon the
12 opinion or determination of either party to this Contract, said terms shall not be construed as
13 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or
14 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly
15 reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious,
16 or unreasonable opinion or determination. Each opinion or determination by either party shall be
17 provided in a timely manner. Nothing in subdivision (a) of Article 18 of this Contract is intended
18 to or shall affect or alter the standard of judicial review applicable under Federal law to any
19 opinion or determination implementing a specific provision of Federal law embodied in statute or
20 regulation.

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

1 (2) The Secretary will, as appropriate, pursue program and project
2 implementation and authorization in coordination with Project Contractors to improve the water
3 supply, water quality, and reliability of the Project for all Project purposes.

4 (3) The Secretary will coordinate with Project Contractors and the State
5 of California to seek improved water resource management.

6 (4) The Secretary will coordinate actions of agencies within the
7 Department of the Interior that may impact the availability of water for Project purposes.

8 (5) The Contracting Officer shall periodically, but not less than
9 annually, hold division level meetings to discuss Project operations, division level water
10 management activities, and other issues as appropriate.

11 (d) Without limiting the contractual obligations of the Contracting Officer
12 under the other Articles of this Contract, nothing in this Article shall be construed to limit or
13 constrain the Contracting Officer's ability to communicate, coordinate, and cooperate with the
14 Contractor or other interested stakeholders or to make decisions in a timely fashion as needed to
15 protect health, safety, or the physical integrity of structures or facilities.

16 GENERAL OBLIGATION-BENEFITS CONDITIONED UPON PAYMENT

17 19. (a) The obligation of the Contractor to pay the United States as provided in this
18 Contract is a general obligation of the Contractor notwithstanding the manner in which the
19 obligation may be distributed among the Contractor's Water Users and notwithstanding the default
20 of individual Water Users in their obligations to the Contractor.

21 (b) The payment of charges becoming due hereunder is a condition precedent to
22 receiving benefits under this Contract. The United States shall not make water available to the
23 Contractor through Project facilities during any period in which the Contractor may be in arrears
24 in the advance payment of water rates due the United States. The Contractor shall not furnish
25 water made available pursuant to this Contract for lands or parties which are in arrears in the
26 advance payment of water rates levied or established by the Contractor.

27 CHARGES FOR DELINQUENT PAYMENTS

28 20. (a) The Contractor shall be subject to interest, administrative and penalty
29 charges on delinquent installments or payments. When a payment is not received by the due date,
30 the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due

1 date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative
2 charge to cover additional costs of billing and processing the delinquent payment. When a
3 payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6
4 percent per year for each day the payment is delinquent beyond the due date. Further, the
5 Contractor shall pay any fees incurred for debt collection services associated with a delinquent
6 payment.

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

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

15 QUALITY OF WATER

16 21. (a) The operation and maintenance of Project facilities shall be performed in
17 such manner as is practicable to maintain the quality of raw water made available through such
18 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
19 United States does not warrant the quality of water and is under no obligation to construct or
20 furnish water treatment facilities to maintain or better the quality of water.

21 (b) The United States recognizes that water quality is a concern within the
22 service area of the Contractor. Currently, the United States has neither the clear authority, nor the
23 facilities through which water quality can be improved within the Colusa Basin Drain. Should,
24 however, water quality within the Colusa Basin Drain become a more serious concern for either
25 the environment, sustainable agriculture, or wildlife within the Colusa Basin, upon the written
26 request of either party, the United States and the Contractor will attempt to work together, and
27 with other interested parties, to develop a solution, subject to appropriate authorization and
28 funding being available.

29 WATER AND AIR, POLLUTION CONTROL

30 22. The Contractor, in carrying out this Contract, shall comply with all applicable
31 water and air pollution laws and regulations of the United States and the State of California, and
32 shall obtain all required permits or licenses from the appropriate Federal, State, or local
33 authorities.

WATER CONSERVATION

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23. (a) Prior to the release of Project Water, the Contractor shall be implementing an effective water conservation and efficiency program based on the Basin-Wide Water Management Plan and/or Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. Continued release of Project Water pursuant to this Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's water conservation plan or any revised water conservation plan completed pursuant to subdivision (c) of Article 23 of this Contract have not yet been determined by the Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, Project Water releases shall be made under this Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.

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

(c) At 5-year intervals, the Contractor shall revise its water conservation plan to reflect the then-current conservation and efficiency criteria for evaluating water conservation plans established under Federal law and submit such revised water management plan to the Contracting Officer for review and evaluation. The Contracting Officer will then determine if the water

1 conservation plan meets Reclamation's then-current conservation and efficiency criteria for
2 evaluating water conservation plans established under Federal law.

3 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

4 24. The expenditure or advance of any money or the performance of any obligation of
5 the United States under this Contract shall be contingent upon appropriation or allotment of funds.
6 Absence of appropriation or allotment of funds shall not relieve the Contractor from any
7 obligations under this Contract. No liability shall accrue to the United States in case funds are not
8 appropriated or allotted.

9 OFFICIALS NOT TO BENEFIT

10 25. (a) No Member of or Delegate to Congress, Resident Commissioner, or official
11 of the Contractor shall benefit from this Contract other than as a Water User or landowner in the
12 same manner as other Water Users or landowners.

13 (b) No officer or member of the governing board of the Contractor shall receive
14 any benefit that may arise by reason of this Contract other than as a landowner within the
15 Contractor's service area and in the same manner as other landowners within the said service area.

16 ASSIGNMENT LIMITED-SUCCESSORS AND ASSIGNS OBLIGATED

17 26. The provisions of this Contract shall apply to and bind the successors and assigns
18 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein
19 shall be valid until approved in writing by the Contracting Officer.

20 BOOKS, RECORDS AND REPORTS

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

30 EQUAL OPPORTUNITY

31 28. During the performance of this Contract, the Contractor agrees as follows:

32 (a) The Contractor will not discriminate against any employee or applicant for
33 employment because of race, color, religion, sex, or national origin. The Contractor will take
34 affirmative action to ensure that applicants are employed, and that employees are treated during
35 employment, without regard to their race, color, religion, sex, or national origin. Such action shall

1 include, but not be limited to, the following: Employment, upgrading, demotion, or transfer;
2 recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of
3 compensation; and selection for training, including apprenticeship. The Contractor agrees to post
4 in conspicuous places, available to employees and applicants for employment, notices to be
5 provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

6 (b) The Contractor will, in all solicitation, or advertisements for employees
7 placed by or on behalf of the Contractor, state that all qualified applicants will receive
8 consideration for employment without discrimination because of race, color, religion, sex, or
9 national origin.

10 (c) The Contractor will send to each labor union or representative of workers
11 with which it has a collective bargaining agreement or other contract or understanding, a notice, to
12 be provided by the Contracting Officer, advising the said labor union or workers' representative of
13 the Contractor's commitments under Section 202 of Executive Order 11246 of September 24,
14 1965, and shall post copies of the notice in conspicuous places available to employees and
15 applicants for employment.

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

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

24 (f) In the event of the Contractor's noncompliance with the nondiscrimination
25 clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be
26 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared
27 ineligible for further Government contracts in accordance with procedures authorized in said
28 amended Executive Order, and such other sanctions may be imposed and remedies invoked as
29 provided in said Executive Order, or by rule, regulation, or orders of the Secretary of Labor, or as
30 otherwise provided by law.

31 (g) The Contractor will include the provisions of paragraphs (1) through (7) in
32 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
33 Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such
34 provisions will be binding upon each subcontractor or vendor. The Contractor will take such
35 action with respect to any subcontract or purchase order as may be directed by the Secretary of
36 Labor as a means of enforcing such provision, including sanctions for noncompliance: Provided,
37 however, that in the event the Contractor becomes involved in, or is threatened with, litigation
38 with a subcontractor or vendor as a result of such direction, the Contractor may request the United
39 States to enter into such litigation to protect the interests of the United States.

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

8 NOTICES

9 31. Any notice, demand, or request authorized or required by this Contract shall be
10 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
11 delivered to the Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage
12 Way, Sacramento, California 95825-1898, and on behalf of the United States, when mailed,
13 postage pre-paid, or delivered to the Board of Directors of the Colusa Drain Mutual Water
14 Company, P. O. Box 329 (520 Market Street, Suite 3) Colusa, California 95932. The designation
15 of the addressee or the address may be changed by notice given in the same manner as provided in
16 this Article for other notices.

17 CONFIRMATION OF CONTRACT

18 32. The Contractor, after the execution of this Contract, shall promptly seek to secure a
19 decree of a court of competent jurisdiction of the State of California, confirming the execution of
20 this Contract. The Contractor shall furnish the United States a certified copy of the final decree,
21 the validation proceedings and all pertinent supporting records of the court approving and
22 confirming this Contract, and decreeing and adjudging it to be lawful, valid, and binding on the
23 Contractor. This Contract shall not be binding on the United States until such final decree has
24 been secured.

Contract No. 8-07-20-W0693-R-1

Exhibit A

(Map of Contractor's Service Area)
Colusa Drain Mutual Water Company

Exhibit B

Colusa Drain Mutual Water Company

CROP IRRIGATION REQUIREMENT 1/
(Acre-Feet per acre)

Month	Alfalfa <u>1/</u>	Pasture <u>1/</u>	General <u>2/</u>	Rice <u>3/</u>
April	.250	.283	0	0
May	.442	.483	0	.567
June	.567	.608	.292	.717
July	.642	.658	.783	.783
August	.575	.558	.550	.650
September	.150	.350	0	.200
Total	2.626	2.940	1.625	2.917

Noncrop Consumptive Use Factor: 10 percent.

1/ Based on Department of Water Resources (DWR) Bulletin 113-3, Page 37, with effective rain discounted.

2/ General, assumed to be corn, DWR Bulletin 113-3, Page 37, with effective rain discounted.

3/ Based on University of California Special Publication 3271, growing season May 1 – September 23, and pan evaporation, DWR Bulletin 113-3, Page 67 and DWR Bulletin 113-3, Page 37.

Exhibit C

Colusa Drain Mutual Water Company

WATER RIGHT DEFICIENCIES 1/

Month	Pre-1938	Post-1938
June	6%	19%
July	55%	87%
August	90%	100%
September	5%	99%

1/ These figures represent an average of the deficiencies computed in the studies identified as C650B (State of California) and C-2BR (Bureau of Reclamation) on the water rights along the Sacramento River and in the Sacramento-San Joaquin Delta. These studies were accomplished pursuant to the 1956 Cooperative Study Program between the Bureau of Reclamation, California State Department of Water Resources, and the Sacramento River and Delta Water Association.

Exhibit D
Colusa Drain Mutual Water Company
2004 WATER RATES AND CHARGES

Note: This exhibit will be updated prior to execution of the contract to reflect the current Rates and Charges.

COST OF SERVICE RATES: Per Acre-Foot

Capital Rates	
Storage	\$2.88
O&M Rates:	
Water Marketing	\$7.59
Storage	\$5.83
Deficit Rates:	
Interest Bearing	\$0.17
CFO/PFR Adjustment Rate 1/	<u>\$1.82</u>
TOTAL	<u>\$18.29</u>

FULL-COST RATES:

Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving Project Water for irrigation purposes on or before October 1, 1981 \$26.04

Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive Project Water for irrigation purposes on or before October 1, 1981. \$28.92

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

Restoration Payments (3407(d)(2)(A)) \$7.82

1/ Chief Financial Officer (CFO) adjustment and Provision for Replacement (PFR) expense is being distributed over a 5-year period beginning in FY 2003 for those contractors that requested those costs be deferred.

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