

Irrigation and Other
R. O. Final CVP-Wide Draft 4/19/2004
Feather WD Draft 6/25-2003
R. O. CVP Wide Draft 6/10-2003
Sac. Valley Division Draft 5/28-2003
CVP Wide Draft 5/23-2003
Contract No. 14-06-200-171-A-LTR1

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

LONG-TERM RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
FEATHER WATER DISTRICT
PROVIDING FOR PROJECT WATER SERVICE
FROM SACRAMENTO RIVER DIVISION

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Exhibit A -- Map or Description of Contractor's Service Area

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8 PROVIDING FOR PROJECT WATER SERVICE
9 FROM SACRAMENTO RIVER DIVISION

10 THIS CONTRACT, made this _____ day of _____, 20____, in
11 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
12 supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
13 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
14 July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1262),
15 October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30,
16 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law,
17 between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States,
18 and FEATHER WATER DISTRICT, hereinafter referred to as the Contractor, a public agency of
19 the State of California, duly organized, existing, and acting pursuant to the laws thereof;

20 WITNESSETH, That:

EXPLANATORY RECITALS

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[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project (Project), California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, the Contractor has obtained from the State of California Water Resources Control Board a Permit 12094 pursuant to "Application No. 14803 to Appropriate Unappropriated Water" (hereinafter referred to as "Permit 12094") to appropriate water by direct diversion from the Feather River on the condition, among others, that no water shall be diverted until an agreement has been consummated between the Contractor and the United States providing for a concurrent exchange of water from the Project for water diverted under the permit to the extent necessary to supply the prior rights of the Sacramento River and the Sacramento-San Joaquin delta users; and

[3rd] WHEREAS, the rights to Project Water were acquired by the United States pursuant to California law for operation of the Project; and

[4th] WHEREAS, the Contractor and the United States entered into Contract No. 14-06-200-171-A, dated June 26, 1962, which established terms for Project Water to be delivered in the Sacramento River for diversion by exchange from the Feather River by the Contractor through December 31, 1994; and

[5th] WHEREAS, the Contractor and the United States have pursuant to

43 Subsection 3404(c)(1) of the Central Valley Project Improvement Act (CVPIA), subsequently
44 entered into interim renewal contract(s) identified as Contract No(s). 14-06-200-171-A-IR1,
45 14-06-200-171-A-IR2, 14-06-200-171-A-IR3, 14-06-200-171-A-IR4, and 14-06-200-171-A-
46 IR5, 14-06-200-171-A-IR6, 14-06-200-171-A-IR7, 14-06-200-171-A-IR8, and 14-06-200-171-
47 A-IR9, the current of which is hereinafter referred to as the Existing Contract, which provided
48 for continued water service to the Contractor from March 1, 2004, through February 28, 2006;
49 and

50 [6th] WHEREAS, Section 3404(c) of the CVPIA provides for long-term renewal of the
51 Existing Contract following completion of appropriate environmental documentation, including
52 a programmatic environmental impact statement (PEIS) pursuant to the National Environmental
53 Policy Act (NEPA), analyzing the direct and indirect impacts and benefits of implementing the
54 CVPIA and the potential renewal of all existing contracts for Project Water; and

55 [7th] WHEREAS, the United States has completed the PEIS and all other appropriate
56 environmental review necessary to provide for long-term renewal of the Existing Contract; and

57 [8th] WHEREAS, the Contractor has requested the long-term renewal of the Existing
58 Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and the laws
59 of the State of California, for water service from the Project; and

60 [9th] WHEREAS, the United States has determined that the Contractor has fulfilled all
61 of its obligations under the Existing Contract; and

62 [10th] WHEREAS, the Contractor has demonstrated to the satisfaction of the
63 Contracting Officer that the Contractor has utilized the Project Water supplies available to it for
64 reasonable and beneficial use and, based upon a needs analysis cooperatively prepared by the
65 Contracting Officer and the Contractor, has demonstrated projected future demand for water use

66 that exceeds the Contract Total to be made available to it pursuant to this Contract; and

67 [11th] WHEREAS, water obtained from the Project has been relied upon by urban and
68 agricultural areas within California for more than 50 years, and is considered by the Contractor
69 as an essential portion of its water supply; and

70 [12th] WHEREAS, the economies of regions within the Project, including the
71 Contractor's, depend upon the continued availability of water, including water service from the
72 Project; and

73 [13th] WHEREAS, the Secretary intends through coordination, cooperation, and
74 partnerships to pursue measures to improve water supply, water quality, and reliability of the
75 Project for all Project purposes; and

76 [14th] WHEREAS, the mutual goals of the United States and the Contractor include: to
77 provide for reliable Project Water supplies; to control costs of those supplies; to achieve
78 repayment of the Project as required by law; to guard reasonably against Project Water
79 shortages; to achieve a reasonable balance among competing demands for use of Project Water
80 and to comply with all applicable environmental statutes, all consistent with the legal obligations
81 of the United States relative to the Project; and

82 [15th] WHEREAS, the parties intend by this Contract to develop a more cooperative
83 relationship in order to achieve their mutual goals; and

84 [16th] WHEREAS, the United States and the Contractor are willing to enter into this
85 Contract pursuant to Federal Reclamation law on the terms and conditions set forth below;

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

88 DEFINITIONS

89 1. When used herein unless otherwise distinctly expressed, or manifestly
90 incompatible with the intent of the parties as expressed in this Contract, the term:

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

93 (b) "Charges" shall mean the payments required by Federal Reclamation law
94 in addition to the Rates and Tiered Pricing Component specified in this Contract as determined
95 annually by the Contracting Officer pursuant to this Contract;

96 (c) "Condition of Shortage" shall mean a condition respecting the Project
97 during any Year such that the Contracting Officer is unable to deliver sufficient water to meet
98 the Contract Total;

99 (d) "Contracting Officer" shall mean the Secretary of the Interior's duly
100 authorized representative acting pursuant to this Contract or applicable Federal Reclamation law
101 or regulation;

102 (e) "Contract Total" shall mean the maximum amount of water to which the
103 Contractor is entitled under subdivision (a) of Article 3 of this Contract;

104 (f) "Contractor's Service Area" shall mean the area to which the Contractor is
105 permitted to provide Project Water under this Contract as described in Exhibit "A" attached
106 hereto, which may be modified from time to time in accordance with Article 35 of this Contract

107 without amendment of this Contract;

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

110 (h) “Eligible Lands” shall mean all lands to which Irrigation Water may be
111 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
112 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

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

116 (j) “Full Cost Rate” shall mean an annual rate as determined by the
117 Contracting Officer that shall amortize the expenditures for construction properly allocable to the
118 Project irrigation or M&I functions, as appropriate, of facilities in service including all O&M
119 deficits funded, less payments, over such periods as may be required under Federal Reclamation
120 law, or applicable contract provisions. Interest will accrue on both the construction expenditures
121 and funded O&M deficits from October 12, 1982, on costs outstanding at that date, or from the
122 date incurred in the case of costs arising subsequent to October 12, 1982, and shall be calculated
123 in accordance with subsections 202(3)(B) and (3)(C) of the RRA. The Full Cost Rate includes
124 actual operation, maintenance, and replacement costs consistent with Section 426.2 of the Rules
125 and Regulations for the RRA;

126 (k) “Ineligible Lands” shall mean all lands to which Irrigation Water may not
127 be delivered in accordance with Section 204 of the RRA;

128 (l) “Irrigation Full Cost Water Rate” shall mean the Full Cost Rate applicable

129 to the delivery of Irrigation Water;

130 (m) "Irrigation Water" shall mean water made available from the Project that
131 is used primarily in the production of agricultural crops or livestock, including domestic use
132 incidental thereto, and watering of livestock. Irrigation Water shall not include water used for
133 purposes such as the watering of landscaping or pasture for animals (i.e., horses) which are kept
134 for personal enjoyment or water delivered to landholdings operated in units of less than five
135 acres unless the Contractor establishes to the satisfaction of the Contracting Officer that the use
136 of water delivered to such landholding is a use described in this subdivision of this Article;

137 (n) "Landholder" shall mean a party that directly or indirectly owns or leases
138 nonexempt land, as provided in 43 CFR 426.2;

139 (o) "Operation and Maintenance" or "O&M" shall mean normal and
140 reasonable care, control, operation, repair, replacement (other than capital replacement), and
141 maintenance of Project facilities;

142 (p) "Other Water" shall mean water made available from the Project other
143 than Irrigation Water as described in subdivision (m) of this Article, which is used for a purpose
144 that is considered to be an irrigation use pursuant to State law such as the watering of
145 landscaping or pasture for animals (e.g., horses) which are kept for personal enjoyment. For
146 purposes of this Contract, Other Water shall be paid for at Rates and Charges identical to those
147 established for municipal and industrial water pursuant to the then-current Municipal and
148 Industrial (M&I) Ratesetting Policy;

149 (q) "Other Full Cost Water Rate" shall mean the annual rate, which, as
150 determined by the Contracting Officer, shall amortize the expenditures for construction allocable

151 to Project M&I facilities in service, including, O&M deficits funded, less payments, over such
152 periods as may be required under Federal Reclamation law with interest accruing from the dates
153 such costs were first incurred plus the applicable rate for the O&M of such Project facilities.
154 Interest rates used in the calculation of the Other Full Cost Rate shall comply with the Interest
155 Rate methodology contained in Section 202 (3) (B) and (C) of the RRA;

156 (r) “Project” shall mean the Central Valley Project owned by the United
157 States and managed by the Department of the Interior, Bureau of Reclamation;

158 (s) “Project Contractors” shall mean all parties who have water service
159 contracts for Project Water from the Project with the United States pursuant to Federal
160 Reclamation law;

161 (t) “Project Water” shall mean all water that is developed, diverted, stored, or
162 delivered by the Secretary in accordance with the statutes authorizing the Project and in
163 accordance with the terms and conditions of water rights acquired pursuant to California law;

164 (u) “Rates” shall mean the payments determined annually by the Contracting
165 Officer in accordance with the then-current applicable water ratesetting policies for the Project,
166 as described in subdivision (a) of Article 7 of this Contract;

167 (v) “Recent Historic Average” shall mean the most recent five-year average
168 of the final forecast of Water Made Available to the Contractor pursuant to this Contract or its
169 preceding contract(s);

170 (w) "Replaced Water" shall mean Project Water which is delivered in the
171 Sacramento River at the confluence with the Feather River and thence diverted by the Contractor
172 from the Feather River by exchange at points of diversion on the Feather River which are
173 approved by the Contracting Officer.

174 (x) "Secretary" shall mean the Secretary of the Interior, a duly appointed
175 successor, or an authorized representative acting pursuant to any authority of the Secretary and
176 through any agency of the Department of the Interior;

177 (y) "Tiered Pricing Component" shall be the incremental amount to be paid
178 for each acre-foot of Water Delivered as described in subdivision (j) of Article 7 of this Contract;

179 (z) "Water Delivered" or "Delivered Water" shall mean Replaced Water
180 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting
181 Officer;

182 (aa) "Water Made Available" shall mean the estimated amount of Project
183 Water that can be delivered to the Contractor for the upcoming Year as declared by the
184 Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

185 (bb) "Water Scheduled" shall mean Project Water made available to the
186 Contractor for which times and quantities for delivery have been established by the Contractor
187 and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract; and

188 (cc) "Year" shall mean the period from and including March 1 of each
189 Calendar Year through the last day of February of the following Calendar Year.

190 TERM OF CONTRACT

191 2. (a) This Contract shall be effective March 1, 20___, through February 28,
192 20___ and supercedes the Existing Contract. In the event the Contractor wishes to renew this
193 Contract beyond February 28, 20___, the Contractor shall submit a request for renewal in writing
194 to the Contracting Officer no later than two years prior to the date this Contract expires. The
195 renewal of this Contract insofar as it pertains to the furnishing of Irrigation Water to the
196 Contractor shall be governed by subdivision (b) of this Article, and the renewal of this Contract
197 shall be governed by subdivision (c) of this Article.

198 (b) (1) Under terms and conditions of a renewal contract that are mutually
199 agreeable to the parties hereto, and upon a determination by the Contracting Officer that at the
200 time of contract renewal the conditions set forth in subdivision (b)(2) of this Article are met, and
201 subject to Federal and State law, this Contract shall be renewed for a period of 25 years.

202 (2) The conditions which must be met for this Contract to be renewed
203 are: (i) the Contractor has prepared a water conservation plan that has been determined by the
204 Contracting Officer in accordance with Article 26 of this Contract to meet the conservation and
205 efficiency criteria for evaluating such plans established under Federal law; (ii) the Contractor is
206 implementing an effective water conservation and efficiency program based on the Contractor's
207 water conservation plan as required by Article 26 of this Contract; (iii) the Contractor is
208 operating and maintaining all water measuring devices and implementing all water measurement
209 methods as approved by the Contracting Officer pursuant to Article 6 of this Contract; (iv) the
210 Contractor has reasonably and beneficially used the Project Water supplies made available to it
211 and, based on projected demands, is reasonably anticipated and expects to fully utilize for

212 reasonable and beneficial use the quantity of Project Water to be made available to it pursuant to
213 such renewal; (v) the Contractor is complying with all terms and conditions of this Contract; and
214 (vi) the Contractor has the physical and legal ability to deliver Project Water.

215 (3) The terms and conditions of the renewal contract described in
216 subdivision (b)(1) of this Article and any subsequent renewal contracts shall be developed
217 consistent with the parties' respective legal rights and obligations, and in consideration of all
218 relevant facts and circumstances, as those circumstances exist at the time of renewal, including,
219 without limitation, the Contractor's need for continued delivery of Project Water; environmental
220 conditions affected by implementation of the Contract to be renewed, and specifically changes in
221 those conditions that occurred during the life of the Contract to be renewed; the Secretary's
222 progress toward achieving the purposes of the CVPIA as set out in Section 3402 and in
223 implementing the specific provisions of the CVPIA; and current and anticipated economic
224 circumstances of the region served by the Contractor.

225 (c) The Contracting Officer shall make a determination ten years after the
226 date of execution of this Contract, and every five years thereafter during the term of this
227 Contract, of whether a conversion of the relevant portion of this Contract to a contract under
228 subsection 9(d) of the Reclamation Project Act of 1939 can be accomplished pursuant to the Act
229 of July 2, 1956 (70 Stat 483). Notwithstanding any provision of this Contract, the Contractor
230 reserves and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat 483). The
231 Contracting Officer anticipates that during the term of this Contract, all authorized Project
232 construction expected to occur will have occurred, and on that basis the Contracting Officer

233 agrees upon such completion to allocate all costs that are properly assignable to the Contractor,
234 and agrees further that, at any time after such allocation is made, and subject to satisfaction of
235 the condition set out in this subdivision, this Contract shall, at the request of the Contractor, be
236 converted to a contract under subsection 9(d) of the Reclamation Project Act of 1939, subject to
237 applicable Federal law and under stated terms and conditions mutually agreeable to the
238 Contractor and the Contracting Officer. A condition for such conversion to occur shall be a
239 determination by the Contracting Officer that, account being taken of the amount credited to
240 return by the Contractor as provided for under Federal Reclamation law, the remaining amount
241 of construction costs assignable for ultimate return by the Contractor can probably be repaid to
242 the United States within the term of a contract under subsection 9(d). If the remaining amount of
243 costs that are properly assignable to the Contractor cannot be determined during the term of this
244 Contract, the Contracting Officer shall notify the Contractor, and provide the reason(s) why such
245 a determination could not be made. Further, the Contracting Officer shall make such a
246 determination as soon thereafter as possible so as to permit, upon request of the Contractor and
247 satisfaction of the condition set out above, conversion to a contract under subsection 9(d). In the
248 event such determination of costs has not been made at a time which allows conversion of this
249 Contract during the term of this Contract or the Contractor has not requested conversion of this
250 Contract within such term, the parties shall incorporate in any subsequent renewal contract as
251 described in subdivision (b) of this Article a provision that carries forth in substantially identical
252 terms the provisions of this subdivision.

253 WATER BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

254 3. (a) During each Year, consistent with all applicable State water rights,
255 permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and 12 of
256 this Contract, the Contracting Officer shall make available for delivery to the Contractor 20,000
257 acre-feet of Project Water for irrigation and other purposes. Water delivered to the Contractor in
258 accordance with this subdivision shall be scheduled and paid pursuant to the provisions of
259 Articles 4 and 7 of this Contract.

260 (1) During the months of June, July, August, and September of each
261 Year, all water diverted by the Contractor from the Feather River, except as provided for under
262 Article 26 of this Contract, shall be deemed, solely for the purposes of this Contract, to be
263 Replaced Water; Provided, That during these four months, the Contracting Officer shall not be
264 obligated to deliver to the Contractor more than 18,533 acre-feet of Project Water, and the
265 Contractor shall not divert more than 18,533 acre-feet of water from the Feather River or the
266 quantity available to it pursuant to Articles 10 and 11 of this Contract, whichever is less.

267 (2) Diversions of water by the Contractor from the Feather River
268 during any other months of the Year shall be deemed, solely for the purposes of this Contract, to
269 be water the Contractor is entitled to divert under Permit 12094, not Replaced Water, except
270 when the State of California Water Resources Control Board determines that insufficient water is
271 available in the Feather River during those other months, or portions thereof, for the Contractor
272 to divert under its Permit 12094, in which event all diversions made from the Feather River by
273 the Contractor after the date specified in the Board's notice of unavailability of water shall

274 necessarily be Replaced Water and the Contracting Officer, subject to the provisions set forth in
275 Articles 10 and 11 of this Contract, shall be obligated to make available to the Contractor up to
276 the full 20,000 acre-feet of Project Water to which the Contractor is entitled.

277 (3) If the date specified in the Board's notice terminating the period of
278 curtailment falls before June 1, then water diverted from the Feather River by the Contractor
279 after the date specified in the said notice, but before June 1, shall be deemed, solely for the
280 purposes of this Contract, to be water the Contractor is entitled to divert under Permit 12094, not
281 Replaced Water. If the date specified in the Board's notice terminating the period of curtailment
282 falls after September 30, then water diverted from the Feather River by the Contractor after the
283 date specified in the said notice shall be deemed, solely for the purposes of this Contract, to be
284 water the Contractor is entitled to divert under Permit 12094, not Replaced Water. Water
285 Delivered to the Contractor in accordance with this subdivision shall be scheduled and paid for
286 pursuant to the provisions of Articles 4 and 7 of this Contract.

287 (b) Because the capacity of the Project to deliver Project Water has been
288 constrained in recent years and may be constrained in the future due to many factors including
289 hydrologic conditions and implementation of Federal and State laws, the likelihood of the
290 Contractor actually receiving the amount of Project Water set out in subdivision (a) of this
291 Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the
292 PEIS projected that the Contract Total set forth in this Contract will not be available to the
293 Contractor in many years. During the most recent five years, the Recent Historic Average of
294 Water Made Available to the Contractor was 18,400 acre-feet. Nothing in subdivision (b) of this

295 Article shall affect the rights and obligations of the parties under any provision of this Contract.

296 (c) The Contractor shall utilize the Project Water in accordance with all
297 applicable legal requirements.

298 (d) The Contractor shall make reasonable and beneficial use of all water
299 furnished pursuant to this Contract. Ground-water recharge programs (direct, indirect, or in
300 lieu), ground-water banking programs, surface water storage programs, and other similar
301 programs utilizing Project Water or other water furnished pursuant to this Contract conducted
302 within the Contractor's Service Area which are consistent with applicable State law and result in
303 use consistent with Federal Reclamation law will be allowed: Provided, That any direct recharge
304 program(s) is (are) described in the Contractor's water conservation plan submitted pursuant to
305 Article 26 of this Contract; Provided, further, That such water conservation plan demonstrates
306 sufficient lawful uses exist in the Contractor's Service Area so that using a long-term average,
307 the quantity of Delivered Water is demonstrated to be reasonable for such uses and in
308 compliance with Federal Reclamation law. Ground-water recharge programs, ground-water
309 banking programs, surface water storage programs, and other similar programs utilizing Project
310 Water or other water furnished pursuant to this Contract conducted outside the Contractor's
311 Service Area may be permitted upon written approval of the Contracting Officer, which approval
312 will be based upon environmental documentation, Project Water rights, and Project operational
313 concerns. The Contracting Officer will address such concerns in regulations, policies, or
314 guidelines.

315 (e) The Contractor shall comply with requirements applicable to the

316 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
317 of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA),
318 as amended, that are within the Contractor's legal authority to implement. The Existing
319 Contract, which evidences in excess of 40 years of diversions for irrigation and/or M&I purposes
320 of the quantities of water provided in subdivision (a) of Article 3 of this Contract, will be
321 considered in developing an appropriate baseline for biological assessment(s) prepared pursuant
322 to the ESA, and any other needed environmental review. Nothing herein shall be construed to
323 prevent the Contractor from challenging or seeking judicial relief in a court of competent
324 jurisdiction with
325 respect to any biological opinion or other environmental documentation referred to in this
326 Article.

327 (f) Following the declaration of Water Made Available under Article 4 of this
328 Contract, the Contracting Officer will make a determination whether Project Water, or other
329 water available to the Project, can be made available to the Contractor in addition to the Contract
330 Total under Article 3 of this Contract during the Year without adversely impacting other Project
331 Contractors. At the request of the Contractor, the Contracting Officer will consult with the
332 Contractor prior to making such a determination. If the Contracting Officer determines that
333 Project Water, or other water available to the Project, can be made available to the Contractor,
334 the Contracting Officer will announce the availability of such water and shall so notify the
335 Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor
336 and other Project Contractors capable of taking such water to determine the most equitable and

337 efficient allocation of such water. If the Contractor requests the delivery of any quantity of such
338 water, the Contracting Officer shall make such water available to the Contractor in accordance
339 with applicable statutes, regulations, guidelines, and policies.

340 (g) The Contractor's right pursuant to Federal Reclamation law and applicable
341 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract
342 during the term thereof and any subsequent renewal contracts, as described in Article 2 of this
343 Contract, during the terms thereof shall not be disturbed so long as the Contractor shall fulfill all
344 of its obligations under this Contract and any renewals thereof. Nothing in the preceding
345 sentence shall affect the Contracting Officer's ability to impose shortages under Articles 11 or
346 subdivision (b) of Article 12 of this Contract or applicable provisions of any subsequent renewal
347 contracts.

348 (h) Project Water furnished to the Contractor pursuant to this Contract may be
349 delivered for purposes other than those described in subdivisions (m) and (p) of Article 1 of this
350 Contract upon written approval by the Contracting Officer in accordance with the terms and
351 conditions of such approval.

352 (i) The Contracting Officer shall make reasonable efforts to protect the water
353 rights necessary for the Project and to provide the water available under this Contract. The
354 Contracting Officer shall not object to participation by the Contractor, in the capacity and to the
355 extent permitted by law, in administrative proceedings related to the Project Water rights;
356 Provided, That the Contracting Officer retains the right to object to the substance of the

357 Contractor's position in such a proceeding; Provided further, That in such proceedings the
358 Contracting Officer shall recognize the Contractor has a legal under the terms of this Contract to
359 use Project Water.

360 TIME FOR DELIVERY OF WATER

361 (4) (a) On or about February 20 of each Calendar Year, the Contracting Officer
362 shall announce the Contracting Officer's expected declaration of the Water Made Available.
363 Such declaration will be expressed in terms of both Water Made Available and the Recent
364 Historic Average and will be updated monthly, and more frequently if necessary, based on then-
365 current operational and hydrologic conditions and a new declaration with changes, if any, to the
366 Water Made Available will be made. The Contracting Officer shall provide forecasts of Project
367 operations and the basis of the estimate, with relevant supporting information, upon the written
368 request of the Contractor. Concurrently with the declaration of the Water Made Available, the
369 Contracting Officer shall provide the Contractor with the updated Recent Historic Average.

370 (b) On or before each March 1 and at such other times as necessary, the Contractor
371 shall submit to the Contracting Officer a written schedule, satisfactory to the Contracting
372 Officer, showing the monthly quantities of Project Water to be delivered by the United States to
373 the Contractor pursuant to this Contract for the Year commencing on such March 1. The
374 Contracting Officer shall use all reasonable means to deliver Project Water according to the
375 approved schedule for the Year commencing on such March 1.

376 (c) The Contractor shall not schedule Project Water in excess of the quantity
377 of Project Water the Contractor intends to put to reasonable and beneficial use within the

378 Contractor's Service Area during any Year.

379 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this
380 Contract, the United States shall deliver Project Water to the Contractor in accordance with the
381 initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any
382 written revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable
383 time prior to the date(s) on which the requested change(s) is/are to be implemented.

384 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

385 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this
386 Contract shall be delivered to the Contractor in the Sacramento River at the confluence with the
387 Feather River for diversion from the Feather River by exchange at such point or points on the
388 Feather River mutually agreed to in writing by the Contracting Officer and the Contractor
389 consistent with Permit 12094.

390 (b) The Contractor shall deliver Irrigation Water in accordance with any
391 applicable land classification provisions of Federal Reclamation law and the associated
392 regulations. The Contractor shall not deliver Project Water to land outside the Contractor's
393 Service Area unless approved in advance by the Contracting Officer.

394 (c) All Water Delivered to the Contractor pursuant to this Contract shall be
395 measured and recorded with equipment furnished, installed, operated, and maintained by the
396 Contractor at the point or points of delivery established pursuant to subdivision (a) of this
397 Article. Upon the request of either party to this Contract, the Contracting Officer shall
398 investigate the accuracy of such measurements and shall take any necessary steps to adjust any

399 errors appearing therein. For any period of time when accurate measurements have not been
400 made, the Contracting Officer shall consult with the Contractor prior to making a final
401 determination of the quantity delivered for that period of time.

402 (d) The Contracting Officer shall not be responsible for the control, carriage,
403 handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this
404 Contract beyond the delivery points specified in subdivision (a) of this Article. The Contractor
405 shall indemnify the United States, its officers, employees, agents, and assigns on account of
406 damage or claim of damage of any nature whatsoever for which there is legal responsibility,
407 including property damage, personal injury, or death arising out of or connected with the control,
408 carriage, handling, use, disposal, or distribution of such Water Delivered beyond such delivery
409 points, except for any damage or claim arising out of (i) acts or omissions of the Contracting
410 Officer or any of its officers, employees, agents, or assigns, with the intent of creating the
411 situation resulting in any damage or claim, (ii) willful misconduct of the Contracting Officer or
412 any of its officers, employees, agents, or assigns, (iii) negligence of the Contracting Officer or
413 any of its officers, employees, agents, or assigns, or (iv) damage or claims resulting from a
414 malfunction of facilities owned and/or operated by the United States.

415 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

416 6. (a) The Contractor has established a measuring program satisfactory to the
417 Contracting Officer. The Contractor shall ensure that all surface water delivered for irrigation
418 purposes within the Contractor's Service Area is measured at each agricultural turnout and such
419 water delivered for M&I purposes is measured at each M&I service connection. The water

420 measuring devices or water measuring methods of comparable effectiveness must be acceptable
421 to the Contracting Officer. The Contractor shall be responsible for installing, operating, and
422 maintaining and repairing all such measuring devices and implementing all such water
423 measuring methods at no cost to the United States. The Contractor shall use the information
424 obtained from such water measuring devices or water measuring methods to ensure its proper
425 management of the water, to bill water users for water delivered by the Contractor; and, if
426 applicable, to record water delivered for other purposes by customer class as defined in the
427 Contractor's water conservation plan provided for in Article 26 of this Contract. Nothing herein
428 contained, however, shall preclude the Contractor from establishing and collecting any charges,
429 assessments, or other revenues authorized by California law. The Contractor shall include a
430 summary of all its annual surface water deliveries in the annual report described in subdivision
431 (c) of Article 26.

432 (b) All new surface water delivery systems installed within the Contractor's
433 Service Area after the effective date of this Contract shall also comply with the measurement
434 provisions described in subdivision (a) of this Article.

435 (c) The Contractor shall inform the Contracting Officer and the State of
436 California in writing by April 30 of each Year of the monthly volume of surface water delivered
437 within the Contractor's Service Area during the previous Year.

438 (d) The Contractor shall inform the Contracting Officer on or before the 20th
439 calendar day of each month of the quantity of Irrigation and M&I Water taken during the
440 preceding month.

441 RATES AND METHOD OF PAYMENT FOR WATER

442 7. (a) The Contractor shall pay the United States as provided in this Article for
443 all Delivered Water at Rates, Charges, and the Tiered Pricing Component established in
444 accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and
445 the Secretary's then-existing ratesetting policy for M&I water. Such ratesetting policies shall be
446 amended, modified, or superceded only through a public notice and comment procedure; (ii)
447 applicable Federal Reclamation law and associated rules and regulations, or policies; and (iii)
448 other applicable provisions of this Contract. Payments shall be made by cash transaction,
449 electronic funds transfer, or any other mechanism as may be agreed to in writing by the
450 Contractor and the Contracting Officer. The Rates, Charges, and Tiered Pricing
451 Component applicable to the Contractor upon execution of this Contract are set forth in Exhibit
452 "B", as may be revised annually.

453 (b) The Contracting Officer shall notify the Contractor of the Rates, Charges,
454 and Tiered Pricing Component as follows:

455 (1) Prior to July 1 of each Calendar Year, the Contracting Officer
456 shall provide the Contractor an estimate of the Charges for Project Water that will be applied to
457 the period October 1, of the current Calendar Year, through September 30, of the following
458 Calendar Year, and the basis for such estimate. The Contractor shall be allowed not less than
459 two months to review and comment on such estimates. On or before September 15 of each
460 Calendar Year, the Contracting Officer shall notify the Contractor in writing of the Charges to be
461 in effect during the period October 1 of the current Calendar Year, through September 30, of the

462 following Calendar Year, and such notification shall revise Exhibit "B."

463 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
464 shall make available to the Contractor an estimate of the Rates and Tiered Pricing Component
465 for Project Water for the following Year and the computations and cost allocations upon which
466 those Rates are based. The Contractor shall be allowed not less than two months to review and
467 comment on such computations and cost allocations. By December 31 of each Calendar Year,
468 the Contracting Officer shall provide the Contractor with the final Rates and Tiered Pricing
469 Component to be in effect for the upcoming Year, and such notification shall revise Exhibit "B."

470 (c) At the time the Contractor submits the initial schedule for the delivery of
471 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
472 Contractor shall make an advance payment to the United States equal to the total amount payable
473 pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the Project Water
474 scheduled to be delivered pursuant to this Contract during the first two calendar months of the
475 Year. Before the end of the first month and before the end of each calendar month thereafter, the
476 Contractor shall make an advance payment to the United States, at the Rate(s) set under
477 subdivision (a) of this Article, for the Water Scheduled to be delivered pursuant to this Contract
478 during the second month immediately following. Adjustments between advance payments for
479 Water Scheduled and payments at Rates due for Water Delivered shall be made before the end of
480 the following month; Provided, That any revised schedule submitted by the Contractor pursuant
481 to Article 4 of this Contract which increases the amount of Water Delivered pursuant to this
482 Contract during any month shall be accompanied with appropriate advance payment, at the Rates

483 then in effect, to assure that Project Water is not delivered to the Contractor in advance of such
484 payment. In any month in which the quantity of Water Delivered to the Contractor pursuant to
485 this Contract equals the quantity of Water Scheduled and paid for by the Contractor, no
486 additional Project Water shall be delivered to the Contractor unless and until an advance
487 payment at the Rates then in effect for such additional Project Water is made. Final adjustment
488 between the advance payments for the Water Scheduled and payments for the quantities of
489 Water
490 Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no
491 later than April 30th of the following Year, or 60 days after the delivery of Project Water carried
492 over under subdivision (f) of Article 3 of this Contract if such water is not delivered by the last
493 day of February.

494 (d) The Contractor shall also make a payment in addition to the Rate(s) in
495 subdivision (c) of this Article to the United States for Water Delivered, at the Charges and the
496 appropriate Tiered Pricing Component then in effect, before the end of the month following the
497 month of delivery; Provided; That the Contractor may be granted an exception from the Tiered
498 Pricing Component pursuant to subdivision (j)(2) of this Article. The payments shall be
499 consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the
500 water delivery report for the subject month prepared by the Operating Non-Federal
501 Entity/Entities, or, if there is no Operating Non-Federal Entity/Entities, by the Contracting
502 Officer. The water delivery report shall be deemed a bill for the payment of Charges and the
503 applicable Tiered Pricing Component for Water Delivered. Adjustment for overpayment or

504 underpayment of Charges shall be made through the adjustment of payments due to the United
505 States for Charges for the next month. Any amount to be paid for past due payment of Charges
506 and the Tiered Pricing Component shall be computed pursuant to Article 20 of this Contract.

507 (e) The Contractor shall pay for any Water Delivered under subdivisions (a)
508 (f) or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to
509 applicable statutes, associated regulations, any applicable provisions of guidelines or ratesetting
510 policies; Provided, That the Rate for Water Delivered under subdivision (f) of Article 3 of this
511 Contract shall be no more than the otherwise applicable Rate for Irrigation Water or Other Water
512 under subdivision (a) of this Article.

513 (f) Payments to be made by the Contractor to the United States under this
514 Contract may be paid from any revenues available to the Contractor.

515 (g) All revenues received by the United States from the Contractor relating to
516 the delivery of Project Water or the delivery of non-Project water through Project facilities shall
517 be allocated and applied in accordance with Federal Reclamation law and the associated rules or
518 regulations, and the then current Project ratesetting policies for M&I water or Irrigation Water.

519 (h) The Contracting Officer shall keep its accounts pertaining to the
520 administration of the financial terms and conditions of its long-term contracts, in accordance
521 with applicable Federal standards, so as to reflect the application of Project costs and revenues.

522 The Contracting Officer shall, each Year upon request of the Contractor, provide to the
523 Contractor a detailed accounting of all Project and Contractor expense allocations, the
524 disposition of all Project and Contractor revenues, and a summary of all water delivery

525 information. The Contracting Officer and the Contractor shall enter into good faith negotiations
526 to resolve any discrepancies or disputes relating to accountings, reports, or information.

527 (i) The parties acknowledge and agree that the efficient administration of this
528 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,
529 policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Components,
530 and/or for making and allocating payments, other than those set forth in this Article may be in
531 the mutual best interest of the parties, it is expressly agreed that the parties may enter into
532 agreements to modify the mechanisms, policies, and procedures for any of those purposes while
533 this Contract is in effect without amending this Contract.

534 (j) (1) Beginning at such time as deliveries of Project Water in a Year
535 exceed 80 percent of the Contract Total, then before the end of the month following the month of
536 delivery the Contractor shall make an additional payment to the United States equal to the
537 applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water
538 Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of
539 the Contract Total, shall equal one-half of the difference between the Rate established under
540 subdivision (a) of this Article and the Irrigation Full Cost Water Rate or Other Full Cost Water
541 Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water
542 Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i)
543 the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water
544 Rate or Other Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant
545 to subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract

546 Total, this increment shall be deemed to be divided between Irrigation Water and Other Water in
547 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

548 (2) Subject to the Contracting Officer's written approval, the
549 Contractor may request and receive an exemption from such Tiered Pricing Components for
550 Project Water delivered to produce a crop which the Contracting Officer determines will
551 provide significant and quantifiable habitat values for waterfowl in fields where the water is used
552 and the crops are produced; Provided, That the exemption from the Tiered Pricing Components
553 for Irrigation Water shall apply only if such habitat values can be assured consistent with the
554 purposes of the CVPIA through binding agreements executed with or approved by the
555 Contracting Officer prior to use of such water.

556 (3) For purposes of determining the applicability of the Tiered Pricing
557 Component pursuant to this Article, Water Delivered shall include Project Water that the
558 Contractor transfers to others but shall not include Project Water transferred to the Contractor,
559 nor shall it include the additional water provided to the Contractor under the provisions of
560 subdivision (f) of Article 3 of this Contract.

561 (k) For the term of this Contract, Rates under the respective ratesetting
562 policies will be established to recover only reimbursable O&M" (including any deficits) and
563 capital costs of the Project, as those terms are used in the then-current Project ratesetting
564 policies, and interest, where appropriate, except in instances where a minimum Rate is applicable
565 in accordance with the relevant Project ratesetting policy. Changes of significance in practices

566 which implement the Contracting Officer's ratesetting policies will not be implemented until the
567 Contracting Officer has provided the Contractor an opportunity to discuss the nature, need, and
568 impact of the proposed change.

569 (l) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the
570 CVPIA, the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates
571 adjusted upward or downward to reflect the changed costs, if any, incurred by the Contracting
572 Officer in the delivery of the transferred Project Water to the transferee's point of delivery in
573 accordance with the then applicable Project ratesetting policy. If the Contractor is receiving
574 lower Rates and Charges because of inability to pay and is transferring Project Water to another
575 entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and Charges
576 for transferred Project Water shall be the Contractor's Rates and Charges and will not be
577 adjusted to reflect the Contractor's inability to pay.

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

580 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

581 8. The Contractor and the Contracting Officer concur that, as of the effective date of
582 this Contract, the Contractor has no non-interest bearing O&M deficits and shall have no further
583 liability therefor.

584 SALES, TRANSFERS, OR EXCHANGES OF WATER

585 9. Omitted.

586 APPLICATION OF PAYMENTS AND ADJUSTMENTS

587 10. (a) The amount of any overpayment by the Contractor of the Contractor's
588 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current
589 liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of
590 more than \$1,000 shall be refunded at the Contractor's request. In lieu of a refund, any amount
591 of such overpayment, at the option of the Contractor, may be credited against amounts to become
592 due to the United States by the Contractor. With respect to overpayment, such refund or
593 adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to
594 have the right to the use of any of the Project Water supply provided for herein. All credits and
595 refunds of overpayments shall be made within 30 days of the Contracting Officer obtaining
596 direction as to how to credit or refund such overpayment in response to the notice to the
597 Contractor that it has finalized the accounts for the Year in which the overpayment was made.

598 (b) All advances for miscellaneous costs incurred for work requested by the
599 Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs
600 when the work has been completed. If the advances exceed the actual costs incurred, the
601 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
602 advances, the Contractor will be billed for the additional costs pursuant to Article 25.

603 TEMPORARY REDUCTIONS--RETURN FLOWS

604 11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the
605 requirements of Federal law; and (ii) the obligations of the United States under existing

606 contracts, or renewals thereof, providing for water deliveries from the Project, the Contracting
607 Officer shall make all reasonable efforts to optimize Project Water deliveries to the Contractor as
608 provided in this Contract.

609 (b) The Contracting Officer or Operating Non-Federal Entity/Entities may
610 temporarily discontinue or reduce the quantity of Water Delivered to the Contractor as herein
611 provided for the purposes of investigation, inspection, maintenance, repair, or replacement of
612 any of the Project facilities or any part thereof necessary for the delivery of Project Water to the
613 Contractor, but so far as feasible the Contracting Officer or Operating Non-Federal Entity will
614 give the Contractor due notice in advance of such temporary discontinuance or reduction, except
615 in case of emergency, in which case no notice need be given; Provided, That the United States
616 shall use its best efforts to avoid any discontinuance or reduction in such service. Upon
617 resumption of service after such reduction or discontinuance, and if requested by the Contractor,
618 the United States will, if possible, deliver the quantity of Project Water which would have been
619 delivered hereunder in the absence of such discontinuance or reduction.

620 (c) The United States reserves the right to all seepage and return flow water
621 derived from Water Delivered to the Contractor hereunder which escapes or is discharged
622 beyond the Contractor's Service Area; Provided, That this shall not be construed as claiming for
623 the United States any right to seepage or return flow being put to reasonable and beneficial use
624 pursuant to this Contract within the Contractor's Service Area by the Contractor or those
625 claiming by, through, or under the Contractor.

626 CONSTRAINTS ON THE AVAILABILITY OF WATER

627 12. (a) In its operation of the Project, the Contracting Officer will use all
628 reasonable means to guard against a Condition of Shortage in the quantity of water to be made
629 available to the Contractor pursuant to this Contract. In the event the Contracting Officer
630 determines that a Condition of Shortage appears probable, the Contracting Officer will notify the
631 Contractor of said determination as soon as practicable.

632 (b) If there is a Condition of Shortage because of errors in physical operations
633 of the Project, drought, other physical causes beyond the control of the Contracting Officer or
634 actions taken by the Contracting Officer to meet legal obligations then, except as provided in
635 subdivision (a) of Article 18 of this Contract, no liability shall accrue against the United States or
636 any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

637 (c) In any Year in which there may occur a shortage for any of the reasons
638 specified in subdivision (b) above, the Contracting Officer shall apportion the available Project
639 Water supply among the Contractor and others entitled, under existing contracts and future
640 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of
641 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the
642 contractual obligations of the United States.

643 UNAVOIDABLE GROUNDWATER PERCOLATION

644 13. To the extent applicable, the Contractor shall not be deemed to have delivered
645 Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this Contract if such
646 lands are irrigated with groundwater that reaches the underground strata as an unavoidable result
647 of the delivery of Irrigation Water by the Contractor to Eligible Lands.

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RULES AND REGULATIONS

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

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WATER AND AIR POLLUTION CONTROL

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

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QUALITY OF WATER

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16. (a) Project facilities used to deliver Project Water to the Contractor pursuant to this Contract shall be operated and maintained to enable the United States to deliver Project Water to the Contractor in accordance with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050) or other existing Federal laws. The United States is under no obligation to construct or furnish water treatment facilities to maintain or to improve the quality of Water Delivered to the Contractor pursuant to this Contract. The United States does not warrant the quality of Water Delivered to the Contractor pursuant to this Contract.

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(b) The O&M of Project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the

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highest level reasonably attainable as determined by the Contracting Officer. The Contractor shall be responsible for compliance with all State and Federal water quality standards applicable to surface and subsurface agricultural drainage discharges generated through the use of Federal

673 or Contractor facilities or Project Water provided by the Contractor within the Contractor's
674 Service Area.

675 WATER ACQUIRED BY THE CONTRACTOR
676 OTHER THAN FROM THE UNITED STATES

677 17. (a) Water or water rights now owned or hereafter acquired by the Contractor
678 other than from the United States and Irrigation Water furnished pursuant to the terms of this
679 Contract may be simultaneously transported through the same distribution facilities of the
680 Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water
681 and non-Project water were constructed without funds made available pursuant to Federal
682 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the
683 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive
684 Irrigation Water must be established through the certification requirements as specified in the
685 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
686 Eligible Lands within the Contractor's Service Area can be established and the quantity of
687 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such
688 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
689 Project water are/were constructed with funds made available pursuant to Federal Reclamation
690 law, the non-Project water will be subject to the acreage limitation provisions of Federal
691 Reclamation law, unless the Contractor pays to the United States the incremental fee described
692 in 43 CFR 426.15. In determining the incremental fee, the Contracting Officer will calculate
693 annually the cost to the Federal Government, including interest on storing or delivering non-
694 Project water, which for purposes of this Contract shall be determined as follows: The quotient

695 shall be the unpaid distribution system costs divided by the total irrigable acreage within the
696 Contractor's Service Area. The incremental fee per acre is the mathematical result of such
697 quotient times the interest rate determined using Section 202 (3) (C) of the Act of October 12,
698 1982 (96 Stat. 1263). Such incremental fee will be charged to each acre of excess or full cost
699 land within the Contractor's Service Area that receives non-Project water through Federally
700 financed or constructed facilities. The incremental fee calculation methodology will continue
701 during the term of this Contract absent the promulgation of a contrary Reclamation-wide rule,
702 regulation or policy adopted after the Contractor has been afforded the opportunity to review and
703 comment on the proposed rule, regulation or policy. If such rule, regulation or policy is adopted
704 it shall supercede this provision.

705 (b) Water or water rights now owned or hereafter acquired by the Contractor,
706 other than from the United States, may be stored, conveyed, and/or diverted through Project
707 facilities, subject to the completion of appropriate environmental documentation, with the
708 approval of the Contracting Officer and the execution of any contract determined by the
709 Contracting Officer to be necessary, consistent with the following provisions:

710 (1) The Contractor may introduce non-Project water into Project
711 facilities and deliver said water to lands within the Contractor's Service Area, including
712 Ineligible Lands, subject to payment to the United States and/or to any applicable Operating
713 Non-Federal Entity of an appropriate rate as determined by the applicable Project ratesetting
714 policy, the RRA, and the Project use power policy, if such Project use power policy is
715 applicable, each as amended, modified, or superceded from time to time.

716 (2) Delivery of such non-Project water in and through Project facilities
717 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project
718 purposes as determined by the Contracting Officer; (ii) reduce the quantity or quality of water
719 available to other Project Contractors; (iii) interfere with the delivery of contractual water
720 entitlements to any other Project Contractors; or (iv) interfere with the physical maintenance of
721 the Project facilities.

722 (3) Neither the United States nor the Operating Non-Federal Entity
723 shall be responsible for control, care, or distribution of the non-Project water before it is
724 introduced into or after it is delivered from the Project facilities. The Contractor hereby releases
725 and agrees to defend and indemnify the United States and the Operating Non-Federal Entity, and
726 their respective officers, agents, and employees, from any claim for damage to persons or
727 property, direct or indirect, resulting from the acts of the Contractor, its officers', employees',
728 agents' or assigns', act(s) in (i) extracting or diverting non-Project water from any source, or (ii)
729 diverting such non-Project water into Project facilities.

730 (4) Diversion of such non-Project water into Project facilities shall be
731 consistent with all applicable laws, and if involving groundwater, consistent with any applicable
732 ground-water management plan for the area from which it was extracted.

733 (5) After Project purposes are met, as determined by the Contracting
734 Officer, the United States and the Contractor shall share priority to utilize the remaining capacity
735 of the facilities declared to be available by the Contracting Officer for conveyance and

736 transportation of non-Project water prior to any such remaining capacity being made available to
737 non-Project contractors.

738 OPINIONS AND DETERMINATIONS

739 18. (a) Where the terms of this Contract provide for actions to be based upon the
740 opinion or determination of either party to this Contract, said terms shall not be construed as
741 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or
742 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly
743 reserve the right to seek relief from and appropriate adjustment for any such arbitrary,
744 capricious, or unreasonable opinion or determination. Each opinion or determination by either
745 party shall be provided in a timely manner. Nothing in this subdivision (a) of Article 18 of this
746 Contract is intended to or shall affect or alter the standard of judicial review applicable under
747 Federal law to
748 any opinion or determination implementing a specific provision of Federal law embodied in
749 statute or regulation.

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

755 COORDINATION AND COOPERATION

756 19. (a) In order to further their mutual goals and objectives, the Contracting
757 Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and
758 with other affected Project Contractors, in order to improve the operation and management of the
759 Project. The communication, coordination, and cooperation regarding operations and
760 management shall include, but not be limited to, any action which will or may materially affect
761 the quantity or quality of Project Water supply, the allocation of Project Water supply, and
762 Project financial matters including, but not limited to, budget issues. The communication,
763 coordination, and cooperation provided for hereunder shall extend to all provisions of this
764 Contract. Each party shall retain exclusive decision making authority for all actions, opinion,
765 and determinations to be made by the respective party.

766 (b) Within 120 days following the effective date of this Contract, the
767 Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to meet
768 with interested Project Contractors to develop a mutually agreeable, written Project-wide
769 process, which may be amended as necessary separate and apart from this Contract. The goal of
770 this process shall be to provide, to the extent practicable, the means of mutual communication
771 and interaction regarding significant decisions concerning Project operation and management on
772 a real-time basis.

773 (c) In light of the factors referred to in subdivision (b) of Article 3 of this
774 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out this
775 intent:

776 (1) The Contracting Officer will, at the request of the Contractor,

777 assist in the development of integrated resource management plans for the Contractor. Further,
778 the Contracting Officer will, as appropriate, seek authorizations for implementation of
779 partnerships to improve water supply, water quality, and reliability.

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

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

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

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

790 (d) Without limiting the contractual obligations of the Contracting Officer
791 hereunder, nothing in this Contract shall be construed to limit or constrain the Contracting
792 Officer's ability to communicate, coordinate, and cooperate with the Contractor or other
793 interested stakeholders or to make decisions in a timely fashion as needed to protect health,
794 safety, or the physical integrity of structures or facilities.

795 CHARGES FOR DELINQUENT PAYMENTS

796 20. (a) The Contractor shall be subject to interest, administrative and penalty
797 charges on delinquent installments or payments. When a payment is not received by the due
798 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond
799 the due date. When a payment becomes sixty (60) days delinquent, the Contractor shall pay an

800 administrative charge to cover additional costs of billing and processing the delinquent payment.
801 When a payment is delinquent ninety (90) days or more, the Contractor shall pay an additional
802 penalty charge of six (6%) percent per year for each day the payment is delinquent beyond the
803 due date. Further, the Contractor shall pay any fees incurred for debt collection services
804 associated with a delinquent payment.

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

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

813 EQUAL OPPORTUNITY

814 21. During the performance of this Contract, the Contractor agrees as follows:

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

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

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

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

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

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

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

859 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

860 22. (a) The obligation of the Contractor to pay the United States as provided in
861 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
862 obligation may be distributed among the Contractor's water users and notwithstanding the default
863 of individual water users in their obligations to the Contractor.

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

870 (c) With respect to subdivision (b) of this Article, the Contractor shall have

871 no obligation to require advance payment for water rates which it levies.

872 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

873 23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
874 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
875 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights
876 laws, as well as with their respective implementing regulations and guidelines imposed by the
877 U.S. Department of the Interior and/or Bureau of Reclamation.

878 (b) These statutes require that no person in the United States shall, on the
879 grounds of race, color, national origin, handicap, or age, be excluded from participation in, be
880 denied the benefits of, or be otherwise subjected to discrimination under any program or activity
881 receiving financial assistance from the Bureau of Reclamation. By executing this Contract, the
882 Contractor agrees to immediately take any measures necessary to implement this obligation,
883 including permitting officials of the United States to inspect premises, programs, and documents.

884 (c) The Contractor makes this agreement in consideration of and for the
885 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
886 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
887 Reclamation, including installment payments after such date on account of arrangements for
888 Federal financial assistance which were approved before such date. The Contractor recognizes
889 and agrees that such Federal assistance will be extended in reliance on the representations and
890 agreements made in this Article, and that the United States reserves the right to seek judicial
891 enforcement thereof.

892 PRIVACY ACT COMPLIANCE

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

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

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

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

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

918 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

919 25. In addition to all other payments to be made by the Contractor pursuant to this
920 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and
921 detailed statement submitted by the Contracting Officer to the Contractor for such specific items
922 of direct cost incurred by the United States for work requested by the Contractor associated with
923 this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies
924 and procedures. All such amounts referred to in this Article shall not exceed the amount agreed
925 to in writing in advance by the Contractor. This Article shall not apply to costs for routine
926 contract administration.

927 WATER CONSERVATION

928 26. (a) Prior to the delivery of water provided from or conveyed through
929 Federally constructed or Federally financed facilities pursuant to this Contract, the Contractor
930 shall be implementing an effective water conservation and efficiency program based on the
931 Contractor's water conservation plan that has been determined by the Contracting Officer to meet
932 the conservation and efficiency criteria for evaluating water conservation plans established under
933 Federal law. The water conservation and efficiency program shall contain definite water

934 conservation objectives, appropriate economically feasible water conservation measures, and
935 time schedules for meeting those objectives. Continued Project Water delivery pursuant to this
936 Contract shall be contingent upon the Contractor's continued implementation of such water
937 conservation program. In the event the Contractor's water conservation plan or any revised
938 water conservation plan completed pursuant to subdivision (d) of Article 26 of this Contract have
939 not yet been determined by the Contracting Officer to meet such criteria, due to circumstances
940 which the Contracting Officer determines are beyond the control of the Contractor, water
941 deliveries shall be made under this Contract so long as the Contractor diligently works with the
942 Contracting Officer to obtain such determination at the earliest practicable date, and thereafter
943 the Contractor
944 immediately begins implementing its water conservation and efficiency program in accordance
945 with the time schedules therein.

946 (b) Should the amount of Other Water delivered pursuant to subdivision (a) of
947 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall
948 implement the Best Management Practices identified by the time frames issued by the California
949 Urban Water Conservation Council for M&I water unless any such practice is determined by the
950 Contracting Officer to be inappropriate for the Contractor.

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

954 (d) At five -year intervals, the Contractor shall revise its water conservation
955 plan to reflect the then-current conservation and efficiency criteria for evaluating water

956 conservation plans established under Federal law and submit such revised water management
957 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then
958 determine if the water conservation plan meets Reclamation's then-current conservation and
959 efficiency criteria for evaluating water conservation plans established under Federal law.

960 (e) If the Contractor is engaged in direct ground-water recharge, such activity
961 shall be described in the Contractor's water conservation plan.

962 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

963 27. Except as specifically provided in Article 17 of this Contract, the provisions of
964 this Contract shall not be applicable to or affect non-Project water or water rights now owned or
965 hereafter acquired by the Contractor or any user of such water within the Contractor's Service
966 Area. Any such water shall not be considered Project Water under this Contract. In addition,
967 this Contract shall not be construed as limiting or curtailing any rights which the Contractor or
968 any water user within the Contractor's Service Area acquires or has available under any other
969 contract pursuant to Federal Reclamation law.

970 OPERATION AND MAINTENANCY BY OPERATING NON-FEDERAL ENTITY

971 28. Omitted.

972 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

973 29. The expenditure or advance of any money or the performance of any obligation of
974 the United States under this Contract shall be contingent upon appropriation or allotment of
975 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
976 obligations under this Contract. No liability shall accrue to the United States in case funds are
977 not appropriated or allotted.

978 BOOKS, RECORDS, AND REPORTS

979 30. (a) The Contractor shall establish and maintain accounts and other books and
980 records pertaining to administration of the terms and conditions of this Contract, including: the

981 Contractor's financial transactions, water supply data, and Project land and right-of-way
982 agreements; the water users' land-use (crop census), land ownership, land-leasing and water use
983 data; and other matters that the Contracting Officer may require. Reports thereon shall be
984 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
985 Officer may require. Subject to applicable Federal laws and regulations, each party to this
986 Contract shall have the right during office hours to examine and make copies of the other party's
987 books and records relating to matters covered by this Contract.

988 (b) Notwithstanding the provisions of subdivision (a) of this Article, no
989 books, records, or other information shall be requested from the Contractor by the Contracting
990 Officer unless such books, records, or information are reasonably related to the administration or
991 performance of this Contract. Any such request shall allow the Contractor a reasonable period of
992 time within which to provide the requested books, records, or information.

993 (c) At such time as the Contractor provides information to the Contracting
994 Officer pursuant to subdivision (a) of this Article, a copy of such information shall be provided
995 to the Operating Non-Federal Entity.

996 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

997 31. (a) The provisions of this Contract shall apply to and bind the successors and
998 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
999 therein shall be valid until approved in writing by the Contracting Officer.

1000 (b) The assignment of any right or interest in this Contract by either party
1001 shall not interfere with the rights or obligations of the other party to this Contract absent the
1002 written concurrence of said other party.

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

1003 SEVERABILITY

1004 32. In the event that a person or entity who is neither (i) a party to a Project contract,
1005 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii)
1006 an association or other form of organization whose primary function is to represent parties to
1007 Project contracts, brings an action in a court of competent jurisdiction challenging the legality or
1008 enforceability of a provision included in this Contract and said person, entity, association, or
1009 organization obtains a final court decision holding that such provision is legally invalid or
1010 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s),
1011 the parties to this Contract shall use their best efforts to (i) within 30 days of the date of such
1012 final court decision identify by mutual agreement the provisions in this Contract which must be
1013 revised, and (ii) within three months thereafter promptly agree on the appropriate revision(s).
1014 The time periods specified above may be extended by mutual agreement of the parties. Pending
1015 the completion of the actions designated above, to the extent it can do so without violating any
1016 applicable provisions of law, the United States shall continue to make the quantities of Project
1017 Water specified in this Contract available to the Contractor pursuant to the provisions of this
1018 Contract which were not found to be legally invalid or unenforceable in the final court decision.

1019 RESOLUTION OF DISPUTES

1020 33. Should any dispute arise concerning any provisions of this Contract, or the
1021 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt to
1022 resolve the dispute. Prior to the Contractor commencing any legal action, or the Contracting
1023 Officer referring any matter to Department of Justice, the party shall provide to the other party
1024 30 days' written notice of the intent to take such action; Provided, That such notice shall not be
1025 required where a delay in commencing an action would prejudice the interests of the party that

1026 intends to file suit. During the 30-day notice period, the Contractor and the Contracting Officer
1027 shall meet and confer in an attempt to resolve the dispute. Except as specifically provided,
1028 nothing herein is intended to waive or abridge any right or remedy that the Contractor or the
1029 United States may have.

1030 OFFICIALS NOT TO BENEFIT

1031 34. No Member of or Delegate to Congress, Resident Commissioner, or official of the
1032 Contractor shall benefit from this Contract other than as a water user or landowner in the same
1033 manner as other water users or landowners.

1034 CHANGES IN CONTRACTOR'S SERVICE AREA

1035 35. (a) While this Contract is in effect, no change may be made in the
1036 Contractor's Service Area, by inclusion or exclusion of lands, dissolution, consolidation, merger,
1037 or otherwise, except upon the Contracting Officer's written consent.

1038 (b) Within 30 days of receipt of a request for such a change, the Contracting
1039 Officer will notify the Contractor of any additional information required by the Contracting
1040 Officer for processing said request, and both parties will meet to establish a mutually agreeable
1041 schedule for timely completion of the process. Such process will analyze whether the proposed
1042 change is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;
1043 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or
1044 to pay for any Federally-constructed facilities for which the Contractor is responsible; and (iii)
1045 have an impact on any Project Water rights applications, permits, or licenses. In addition, the
1046 Contracting Officer shall comply with the NEPA and the ESA. The Contractor will be
1047 responsible for all costs incurred by the Contracting Officer in this process, and such costs will
1048 be paid in accordance with Article 25 of this Contract.

1049 FEDERAL LAWS

1050 36. By entering into this Contract, the Contractor does not waive its rights to contest

1051 the validity or application in connection with the performance of the terms and conditions of this
1052 Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with
1053 the terms and conditions of this Contract unless and until relief from application of such Federal
1054 law or regulation to the implementing provision of the Contract is granted by a court of
1055 competent jurisdiction.

1056 NOTICES

1057 36. Any notice, demand, or request authorized or required by this Contract shall be
1058 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
1059 delivered to the Area Manager, Bureau of Reclamation, Northern California Area Office, 16349
1060 Shasta Dam Boulevard, Shasta Lake, California 96019-8400, and on behalf of the United States,
1061 when mailed, postage prepaid, or delivered to the Board of Directors of the Feather Water
1062 District, 280 Wilkie Avenue, Yuba City, California 95991. The designation of the addressee or

1063 the address may be changed by notice given in the same manner as provided in this Article for
1064 other notices.

1065 CONFIRMATION OF CONTRACT

1066 36. The Contractor, after the execution of this Contract, shall promptly seek to secure
1067 a decree of a court of competent jurisdiction of the State of California, confirming the execution
1068 of this Contract. The Contractor shall furnish the United States a certified copy of the final
1069 decree, the validation proceedings, and all pertinent supporting records of the court approving
1070 and confirming this Contract, and decreeing and adjudging it to be lawful, valid, and binding on
1071 the Contractor.

1072 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day
1073 and year first above written.

1074 THE UNITED STATES OF AMERICA

1075 By: _____
1076 Regional Director, Mid-Pacific Region
1077 Bureau of Reclamation

1078 FEATHER WATER DISTRICT

1079 By: _____
1080 President of the Board of Directors

1081 Attest:

1082 By: _____
1083 Secretary of the Board of Directors

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