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6 UNITED STATES
7 DEPARTMENT OF THE INTERIOR
8 BUREAU OF RECLAMATION
9 Central Valley Project, California

10 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
11 AND
12 MOUNTAIN GATE COMMUNITY SERVICES DISTRICT
13 PROVIDING FOR PROJECT WATER SERVICE

14 THIS CONTRACT, made this 27th day of February, 2004, in
15 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
16 thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and
17 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat.
18 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), as amended and Title XXXIV of
19 the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal
20 Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the
21 United States, and MOUNTAIN GATE COMMUNITY SERVICES DISTRICT, hereinafter referred
22 to as the Contractor, a public agency of the State of California, duly organized, existing, and acting
23 pursuant to the laws thereof, with its principal place of business in Redding, California;

24 WITNESSETH, That:

25 EXPLANATORY RECITALS

26 WHEREAS, the United States and the Contractor entered into an interim renewal
27 contract identified as Contract No. 14-06-200-6998-IR1, hereinafter referred to as the Interim Renewal
28 Contract, which provided for the continued water service to the Contractor following expiration of
29 Contract No. 14-06-200-6998; and

30 WHEREAS, the United States and the Contractor have entered into successive
31 renewals of the Interim Renewal Contract, the most recent of which is Contract No. 14-06-200-
32 6998-IR1, hereinafter referred to as the Existing Interim Renewal Contract from March 1, 2003,
33 through February 29, 2004; and

34 WHEREAS, the United States and the Contractor have made significant progress
35 in their negotiations of a long-term renewal contract, believe that further negotiations on the
36 long-term renewal contract would be beneficial, and mutually commit to continue to negotiate to
37 seek to reach agreement, but anticipate that the environmental documentation necessary for
38 execution of any long-term renewal contract will be delayed at least an additional 7 months, and
39 may be delayed further for reasons beyond the control of the parties; and

40 WHEREAS, the Contractor has requested a subsequent interim renewal contract
41 pursuant to Subdivision (b)(1) of Article 2 of the Interim Renewal Contract and Article 1 of the
42 Existing Interim Renewal Contract; and

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

45 WHEREAS, the United States is willing to renew the Existing Interim Renewal
46 Contract pursuant to the terms and conditions set forth below;

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

49 INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

50 1. The terms and conditions of the Existing Interim Renewal Contract are hereby
51 incorporated by reference into this Contract with the same force and effect as if they were
52 included in full text with the exception of Article 1 thereof, which is revised as follows:

53 (a) The first sentence in Subdivision (a) of Article 1 of the Existing Interim Renewal
54 Contract is modified as follows: "This interim renewal contract shall be effective from March 1, 2004,

55 and shall remain in effect through February 28, 2006, and thereafter will be renewed as described in
56 Subdivision (a) of Article 2 of the Interim Renewal Contract if a long-term renewal contract has not
57 been executed with an effective commencement date of March 1, 2006; Provided, that if a long-term
58 renewal contract has been executed with an effective commencement date of March 1, 2005, this interim
59 renewal contract shall expire on February 28, 2005."

60 (b) Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is
61 amended by deleting the date "February 15, 2004," and replacing same with the date
62 "February 15, 2006."

63 (c) Subdivision (c) of Article 1 of the Existing Interim Renewal Contract is
64 amended by deleting the dates "February 1, 2004," "February 15, 2004," and "February 29, 2004," and
65 replacing same with the dates "February 1, 2006," "February 15, 2006," and "February 28, 2006,"
66 respectively.

67 IN WITNESS WHEREOF, the parties hereto have executed this interim renewal contract
68 as of the day and year first above written.

69 APPROVED AS TO LEGAL
FORM AND SUFFICIENCY
70 */s/ James E. Turner*
71 OFFICE OF REGIONAL SOLICITOR
72 DEPARTMENT OF THE INTERIOR

THE UNITED STATES OF AMERICA

By: /s/ Kirk C. Rodgers
Regional Director, Mid-Pacific Region
Bureau of Reclamation

73 (SEAL)
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MOUNTAIN GATE COMMUNITY SERVICES
DISTRICT

75 By: /s/ Gary Gunter
76 President

77 Attest:

78 /s/ Janice Heck
79 Secretary