

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

CONTRACT BETWEEN THE UNITED STATES AND  
RIVERVIEW GOLF AND COUNTRY CLUB,  
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,  
SETTLING WATER RIGHTS DISPUTES AND  
PROVIDING FOR PROJECT WATER

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11 SETTLING WATER RIGHTS DISPUTES AND  
12 PROVIDING FOR PROJECT WATER

13 THIS CONTRACT, hereinafter referred to as "Settlement Contract," is entered into  
14 by THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, made  
15 this \_\_\_\_ day of \_\_\_\_\_, 2004, pursuant to the applicable authority granted to  
16 it generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary  
17 thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and  
18 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, including but not  
19 limited to Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68),  
20 October 12, 1982 (96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title  
21 XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to  
22 as Federal Reclamation law, and RIVERVIEW GOLF AND COUNTRY CLUB, hereinafter  
23 referred to as the Contractor, a California corporation, acting pursuant to Sections 12003 and  
24 12004 of the California Water Code, with its principal place of business in California;

25 WITNESSETH, that:

EXPLANATORY RECITALS

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

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

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

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

[5<sup>th</sup>] WHEREAS, the Contractor and the United States had a dispute over the respective rights of the parties to divert and use water from the regulated flow of the Sacramento River which threatened to result in litigation, and as a means to settle that dispute entered into Contract No. 14-06-200-8286A, hereinafter referred to as the Existing Contract, which established terms for the delivery to the Contractor of Central Valley Project Water, and the quantities of Base Supply the United States and the Contractor agreed may be diverted by the Contractor from the Sacramento River pursuant to such contract; and

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

1 specified as available for diversion in this Settlement Contract from the quantities specified in  
2 the Existing Contract, and other issues related thereto. That dispute was the subject of litigation  
3 in a lawsuit entitled *Glenn-Colusa Irrigation District, et al. v. United States, et al.* [Civ. No. S-  
4 01-1816 GEB/JFM (E.D. Cal.)], but that litigation was dismissed, without prejudice, pursuant to  
5 a stipulation of dismissal filed by the parties thereto on August 29, 2002. Notwithstanding that  
6 dismissal, the Contractor and the United States enter into this Settlement Contract to renew the  
7 Existing Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and  
8 the laws of the State of California

9 [7<sup>th</sup>] WHEREAS, to assure the Contractor of the enjoyment and use of the regulated  
10 flow of the said Rivers and the Delta, and to provide for the economical operation of the Central  
11 Valley Project by, and the reimbursement to, the United States for expenditures made for said  
12 Project;

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

15 DEFINITIONS

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

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

22 (b) “Basin-Wide Water Management Plan” shall mean the mutually agreeable  
23 Sacramento River Basinwide Water Management Plan, dated \_\_\_\_\_, developed by

1 Glenn-Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual Water  
2 Company, Pelger Mutual Water Company, Princeton-Codora Glenn Irrigation District, Provident  
3 Irrigation District, Reclamation District 108, Sutter Mutual Water Company, Anderson-  
4 Cottonwood Irrigation District, Meridian Farms Water Company, Reclamation District 1004, and  
5 the U.S. Bureau of Reclamation;

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

10 (d) “Contract Total” shall mean the sum of the Base Supply and Project Water  
11 available for diversion by the Contractor for the period April 1 through October 31;

12 (e) “Critical Year” shall mean any Year in which either of the following  
13 eventualities exists:

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

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

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

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

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

12 (g) "Project" shall mean the Central Valley Project owned by the United  
13 States and managed by the Department of the Interior, Bureau of Reclamation;

14 (h) "Project Water" shall mean all Surface Water diverted or scheduled to be  
15 diverted each month during the period April through October of each Year by the Contractor  
16 from the Sacramento River which is in excess of the Base Supply. The United States recognizes  
17 the right of the Contractor to make arrangements for acquisition of water from projects of others  
18 than the United States for delivery through the Sacramento River and tributaries subject to  
19 written agreement between Contractor and the United States as to identification of such water,  
20 which water, when so identified, shall not be deemed Project Water under this Settlement  
21 Contract;

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

4 (j) "Secretary" or "Contracting Officer" shall mean the Secretary of the  
5 Interior, a duly appointed successor, or an authorized representative acting pursuant to any  
6 authority of the Secretary and through any agency of the Department of the Interior;

7 (k) "Surface Water" shall mean only those waters that are considered as  
8 surface water under California law;

9 (l) "Water Year" shall mean the period commencing with October 1 of one  
10 year and extending through September 30 of the next; and

11 (m) "Year" shall mean a calendar year.

12 TERM OF SETTLEMENT CONTRACT

13 2. (a) This Settlement Contract shall become effective April 1, 2004, and shall  
14 remain in effect until and including March 31, 2044: Provided, that under terms and conditions  
15 mutually agreeable to the parties hereto, renewals may be made for successive periods not to  
16 exceed 40 years each. The terms and conditions of each renewal shall be agreed upon not later  
17 than 1 year prior to the expiration of the then existing Settlement Contract.

18 (b) With respect to Project Water and the portions of this Settlement Contract  
19 pertaining thereto, upon written request by the Contractor of the Secretary made not later than 1  
20 year prior to the expiration of this Settlement Contract, whenever, account being taken of the  
21 amount then credited to the costs of construction of water supply works, the remaining amount of  
22 construction costs of water supply work which is properly assignable for ultimate return by the  
23 Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public

1 Law 643 (70 Stat. 483), probably can be repaid to the United States within the term of a contract  
2 under subsection 9(d) of the 1939 Reclamation Project Act (53 Stat. 1187), the relevant portions  
3 of this Settlement Contract may be converted to a contract under said subsection 9(d) upon terms  
4 and conditions mutually agreeable to the United States and the Contractor. The Secretary shall  
5 make a determination 10 years after the date of execution of this Settlement Contract, and every  
6 5 years thereafter, of whether a conversion to a contract under said subsection 9(d) can be  
7 accomplished pursuant to Public Law 643. Notwithstanding any provision of this Settlement  
8 Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.

9 WATER TO BE FURNISHED TO CONTRACTOR

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

15 (b) No sale, transfer, exchange, or other disposal of any of the Contract Total  
16 designated in Exhibit A or the right to the use thereof for use on land other than that shown on  
17 Exhibit B shall be made by the Contractor without first obtaining the written consent of the  
18 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be  
19 rendered in a timely manner. For short-term actions that will occur within 1 year or less, the  
20 decision will be rendered within 30 days after receipt of a complete written proposal. For long-  
21 term actions that will occur in a period longer than 1 year, the decision will be rendered within  
22 90 days after receipt of a complete written proposal. For a proposal to be deemed complete by  
23 the Contracting Officer, it must comply with all provisions required by State and Federal law,

1 including information sufficient to enable the Contracting Officer to comply with the National  
2 Environmental Policy Act, the Endangered Species Act, and applicable rules or regulations then  
3 in effect; Provided that, such consent does not authorize the use of Federal facilities to facilitate  
4 or effectuate the sale, transfer, exchange or other disposal of Base Supply. Such use of Federal  
5 facilities will be the subject of a separate agreement to be entered into between the Contractor  
6 and Reclamation.

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

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

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

18 (1) The quality of water to be diverted by the Contractor;

19 (2) The control, carriage, handling, use, disposal, or distribution of  
20 water diverted by the Contractor outside the facilities constructed and then being operated and  
21 maintained by or on behalf of the United States;

22 (3) Claims of damage of any nature whatsoever, including but not  
23 limited to, property loss or damage, personal injury, or death arising out of or connected with the

1 control, carriage, handling, use, disposal, or distribution of said water outside of the hereinabove  
2 referred to facilities; and

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

6 RETURN FLOW

7 4. Nothing herein shall be construed as an abandonment or a relinquishment by the  
8 United States of any right it may have to the use of waste, seepage, and return flow water derived  
9 from water diverted by the Contractor hereunder and which escapes or is discharged beyond the  
10 boundaries of the lands shown on Exhibit B; Provided, that this shall not be construed as  
11 claiming for the United States any right to such water which is recovered by the Contractor  
12 pursuant to California law from within the boundaries of the lands shown on Exhibit B, and  
13 which is being used pursuant to this Settlement Contract for municipal, industrial or domestic  
14 use or underground storage for the benefit of the lands shown on Exhibit B by the Contractor.

15 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

17 (a) Irrigate not in excess of 75 percent of their irrigable acreage shown on  
18 Exhibit A; or

19 (b) Divert from the Sacramento River not in excess of 75 percent of the  
20 Contract Total shown on Exhibit A, subject to the installation of measurement equipment  
21 satisfactory to the Contracting Officer. The Contractor shall install, operate, and maintain this  
22 equipment at the Contractor's expense. The Contractor shall submit, by April 1 of that Critical

1 Year, a written schedule to the Contracting Officer indicating the Contract Total to be diverted  
2 by the Contractor during each month of that Critical Year under this Settlement Contract.

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

7 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

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

16 USE OF WATER FURNISHED TO CONTRACTOR

17 7. (a) Project Water furnished to the Contractor pursuant to this Settlement  
18 Contract shall not be delivered or furnished by the Contractor for any purposes other than  
19 municipal, industrial, and domestic purposes without the written consent of the Contracting  
20 Officer.

21 (b) The Contractor shall comply with requirements applicable to the  
22 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution  
23 of this Settlement Contract undertaken pursuant to Section 7 of the Endangered Species Act of

1 1973, as amended, that are within the Contractor's legal authority to implement. The Contractor  
2 shall comply with the limitations or requirements imposed by environmental documentation  
3 applicable to the Contractor and within its legal authority to implement. The Existing Contract,  
4 which evidences in excess of 40 years of diversions, for municipal, industrial, and domestic uses,  
5 of the quantities of water provided for in Article 3, and the underlying water rights of the  
6 Contractor will be considered in developing an appropriate base-line for the Biological  
7 Assessment prepared pursuant to the Endangered Species Act, and in any other needed  
8 environmental review. Nothing herein shall be construed to prevent the Contractor from  
9 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any  
10 biological opinion or other environmental documentation referred to in this Article.

11 RATE AND METHOD OF PAYMENT FOR WATER

12 8. (a) The Contractor shall make payments to the United States as provided in  
13 this Article for each acre of land irrigated in each Year.

14 Such payments shall be at Rates and Charges established in accordance with: (i)  
15 the Secretary's then current ratesetting policies for the Project; and (ii) applicable Reclamation  
16 law and associated rules and regulations, or policies. The Rates and Charges applicable to the  
17 Contractor upon execution of this Settlement Contract are set forth in Exhibit D, as may be  
18 revised annually. The Secretary's ratesetting policies for the Project shall be amended, modified,  
19 or superseded only through a public notice and comment procedure.

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

22 (1) Prior to July 1 of each Year, the Contracting Officer shall provide  
23 the Contractor an estimate of the Charges for Project Water that will be applied to the period

1 October 1, of the current Year, through September 30, of the following Year, and the basis for  
2 such estimate. The Contractor shall be allowed not less than 2 months to review and comment  
3 on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify  
4 the Contractor in writing of the Charges to be in effect during the period October 1 of the current  
5 Year, through September 30, of the following Year, and such notification shall revise Exhibit D.

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

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

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

19 (2) The amount to be paid on or before May 1 of each Year shall be  
20 based on a written estimate, provided to the Contracting Officer by the Contractor on or before  
21 April 1 of each Year, of the total area to be irrigated during the ensuing irrigation season.

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

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

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

9                   (1)     All revenues received by the United States from the Contractor  
10 relating to the delivery of Project Water or the delivery of non-Project Water through Project  
11 facilities shall be allocated and applied in accordance with Federal Reclamation law and the  
12 associated rules or regulations, and the then current Project ratesetting policies for municipal,  
13 industrial and domestic water.

14                  (e)     The Contracting Officer shall keep its accounts pertaining to the  
15 administration of the financial terms and conditions of its long-term water service and Settlement  
16 Contracts, in accordance with applicable Federal standards, so as to reflect the application of  
17 Project costs and revenues. The Contracting Officer shall, each Year upon request of the  
18 Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense  
19 allocations, the disposition of all Project and Contractor revenues, and a summary of all water  
20 delivery information. The Contracting Officer and the Contractor shall enter into good faith  
21 negotiations to resolve any discrepancies or disputes relating to accountings, reports, or  
22 information.

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

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

19           (h)     Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates  
20 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor shall be the  
21 Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any)  
22 of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of  
23 delivery in accordance with the then-current ratesetting policies for the Project. Except as

1 provided in subsection 3407(d)(2)(A) of the CVPIA, the Charges for Project Water transferred,  
2 exchanged, or otherwise disposed of, by the Contractor shall be the Contractor's Charges  
3 specified in Exhibit D. If the Contractor is receiving lower Rates and Charges because of  
4 inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to  
5 another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and  
6 Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the  
7 Contractor's Rates and Charges unadjusted for ability to pay.

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

10 (j) Each payment to be made pursuant to subdivisions (a) and (b) of this  
11 Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region, File  
12 No. 11546, P.O. Box 6000, San Francisco, California 94160-1546, or at such other place as the  
13 United States may designate in a written notice to the said Contractor. Payments shall be made  
14 by cash transaction, wire, or any other mechanism as may be agreed to in writing by the  
15 Contractor and the Contracting Officer. In event there should be a default in the payment of the  
16 amount due, the delinquent payment provisions of Article 13 shall apply. The Contractor shall  
17 not be relieved of the whole or any part of its said obligation by, on account of, or  
18 notwithstanding, as the case may be its failure, refusal, or neglect to divert the quantity of Project  
19 Water shown on Exhibit A.

20 AGREEMENT ON WATER QUANTITIES

21 9. (a) During the term of this Settlement Contract and any renewals thereof:  
22 (1) It shall constitute full agreement as between the United States and  
23 the Contractor as to the quantities of water and the allocation thereof between Base Supply and

1 Project Water which may be diverted by the Contractor from the Sacramento River for beneficial  
2 use on the land shown on Exhibit B which said diversion, use, and allocation shall not be  
3 disturbed so long as the Contractor shall fulfill all of its obligations hereunder;

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

6 (b) Nothing herein contained is intended to or does limit rights of the  
7 Contractor against others than the United States or of the United States against any person other  
8 than the Contractor: Provided, however, that in the event the Contractor, the United States, or  
9 any other person shall become a party to a general adjudication of rights to the use of water of  
10 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or position  
11 of either party hereto or of any other person and the rights of all such persons in respect to the  
12 use of such water shall be determined in such proceedings the same as if this Settlement Contract  
13 had not been entered into, and if final judgment in any such general adjudication shall determine  
14 that the rights of the parties hereto are different from the rights as assumed herein, the parties  
15 shall negotiate an amendment to give effect to such judgment. In the event the parties are unable  
16 to agree on an appropriate amendment they shall, within 60 days of determining that there is an  
17 impasse, employ the services of a neutral mediator, experienced in resolving water rights  
18 disputes, to assist in resolving the impasse. The cost of the mediation will be shared equally. A  
19 failure to reach agreement on an amendment within 60 days of the end of mediation will cause  
20 the immediate termination of this Settlement Contract.

21 (c) In the event that the California State Water Resources Control Board or a  
22 court of competent jurisdiction issues a final decision or order modifying the terms and  
23 conditions of the water rights of either party to this Settlement Contract in order to impose Bay-

1 Delta water quality obligations, the Contractor and the United States shall promptly meet to  
2 determine whether or not to modify any of the terms of this Settlement Contract to comply with  
3 the final decision or order, including, but not limited to, the applicability of the rescheduling  
4 charge in Article 3(c)(1) of this Settlement Contract. If within 60 days of the date of the issuance  
5 of the final decision or order the parties are not able to reach agreement regarding either the need  
6 to modify this Settlement Contract or the manner in which this Settlement Contract is to be  
7 modified, the parties shall promptly retain a neutral mediator, experienced in resolving water  
8 right disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be  
9 shared equally. In the event that either of the parties to this Settlement Contract determines that  
10 the parties will not be able to develop mutually-agreeable modification(s) to this Settlement  
11 Contract even with the assistance of a mediator, either of the parties to this Settlement Contract  
12 may attempt to resolve the impasse by seeking appropriate judicial relief including, but not  
13 limited to, filing a general adjudication of the rights to the use of water in the Sacramento River  
14 system. The foregoing provisions of this sub-article shall only apply to the incremental  
15 obligations contained within a final decision or order of the State Water Resources Control  
16 Board that reflects a modification to the obligations imposed in State Water Resources Control  
17 Board Revised Water Rights Decision 1641 dated March 15, 2000, and its associated 1995 Water  
18 Quality Control Plan which, taken together, will be considered the baseline for the application of  
19 the provisions of this sub-article.

20 (d) In the event this Settlement Contract terminates, the rights of the parties to  
21 thereafter divert and use water shall exist as if this Settlement Contract had not been entered into;  
22 and the fact that as a compromise settlement of a controversy as to the respective rights of the  
23 parties to divert and use water and the yield of such rights during the term hereof, this Settlement

1 Contract places a limit on the Contract Total to be diverted annually by the Contractor during the  
2 Settlement Contract term and segregates it into Base Supply and Project Water shall not  
3 jeopardize the rights or position of either party with respect to its water rights or the yield thereof  
4 at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all  
5 times will first use water to the use of which it is entitled by virtue of its own water rights, and  
6 neither the provisions of this Settlement Contract, action taken thereunder, nor payments made  
7 thereunder to the United States by the Contractor shall be construed as an admission that any part  
8 of the water used by the Contractor during the term of this Settlement Contract was in fact water  
9 to which it would not have been entitled under water rights owned by it nor shall receipt of  
10 payments thereunder by the United States from the Contractor be construed as an admission that  
11 any part of the water used by the Contractor during the term of this Settlement Contract was in  
12 fact water to which it would have been entitled under water rights owned by it.

13 MEASUREMENT OF WATER

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

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

22 (c) The Contractor shall not modify, alter, remove, or replace diversion  
23 facilities or do any other act which would alter the effectiveness or accuracy of the measuring

1 equipment installed by the United States or its representatives unless and until the Contracting  
2 Officer has been notified with due diligence and has been given an opportunity to modify such  
3 measuring equipment in such manner as may be necessary or appropriate. In the event of an  
4 emergency the Contractor shall notify the United States within a reasonable time thereafter as to  
5 the existence of the emergency and the nature and extent of such modification, alteration,  
6 removal, or replacement of diversion facilities.

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

10 RULES AND REGULATIONS

11 11. The parties agree that the delivery of Project Water for municipal and industrial  
12 use or use of Federal facilities pursuant to this Settlement Contract is subject to Federal  
13 Reclamation law, and the rules and regulations promulgated by the Secretary of the Interior  
14 under Federal Reclamation law.

15 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

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

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

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



EQUAL OPPORTUNITY

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

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

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

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

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

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

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

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

10 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

11 17. Omitted.

12 MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER

13 18. Omitted.

14 BOOKS, RECORDS, AND REPORTS

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

24 CHANGE OF PLACE OF USE

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

27 CONSOLIDATION OF CONTRACTING ENTITIES

28 21. Omitted

29 NOTICES

30 22. Any notice, demand, or request authorized or required by this Settlement Contract  
31 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,  
32 or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,  
33 16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United

1 States, when mailed, postage prepaid, or delivered to Lon Rickey, Riverview Golf and Country  
2 Club, 4200 Bechelli Lane, Redding, California 96002. The designation of the addressee or the  
3 address may be changed by notice given in the same manner as provided in this Article for other  
4 notices.

5 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

6  
7 23. (a) The provisions of this Settlement Contract shall apply to and bind the  
8 successors and assigns of the parties hereto, but no assignment or transfer of this Settlement  
9 Contract or any right or interest therein shall be valid until approved in writing by the  
10 Contracting Officer.

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

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

16 OFFICIALS NOT TO BENEFIT

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

20 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

26 CONFIRMATION OF SETTLEMENT CONTRACT

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

34 UNAVOIDABLE GROUNDWATER PERCOLATION

35 27. Omitted

1 PRIVACY ACT COMPLIANCE

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

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

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

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

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

27 WATER CONSERVATION

28 29. (a) Prior to the diversion of Project Water, the Contractor shall be  
29 implementing an effective water conservation and efficiency program based on the Basin-Wide  
30 Water Management Plan and/or Contractor's water conservation plan that has been determined  
31 by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water  
32 conservation plans established under Federal law. The water conservation and efficiency  
33 program shall contain definite water conservation objectives, appropriate economically feasible

1 water conservation measures, and time schedules for meeting those objectives. Continued  
2 diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the  
3 Contractor's continued implementation of such water conservation program. In the event the  
4 Contractor's water conservation plan or any revised water conservation plan completed pursuant  
5 to subdivision (d) of Article 29 of this Settlement Contract have not yet been determined by the  
6 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer  
7 determines are beyond the control of the Contractor, Project Water deliveries shall be made  
8 under this Settlement Contract so long as the Contractor diligently works with the Contracting  
9 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor  
10 immediately begins implementing its water conservation and efficiency program in accordance  
11 with the time schedules therein.

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

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

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



1 Article shall not exceed the amount agreed to in writing in advance by the Contractor. This  
2 Article shall not apply to costs for routine contract administration.

3 (b) All advances for miscellaneous costs incurred for work requested by the  
4 Contractor pursuant to Article 31 of this Settlement Contract shall be adjusted to reflect the  
5 actual costs when the work has been completed. If the advances exceed the actual costs incurred,  
6 the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
7 advances, the Contractor will be billed for the additional costs pursuant to Article 31 of this  
8 Settlement Contract.

9 WAIVER OF DEFAULT

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

14 CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

15 33. (a) The rights and obligations of the Contractors may be transferred in  
16 connection with the transfer of title to the land or any portion thereof delineated on Exhibit B.

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

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



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

3                   THE UNITED STATES OF AMERICA

4                   By: \_\_\_\_\_  
5                               Regional Director, Mid-Pacific Region  
6                               Bureau of Reclamation

7 (SEAL)

8                   RIVERVIEW GOLF AND COUNTRY CLUB  
9

10                  By: \_\_\_\_\_  
11                               \_\_\_\_\_  
12                               Title

13 ATTEST:

14 \_\_\_\_\_  
15                   Secretary

16 (I:\Sac River Drafts\10-23-03 Riverview Golf and Country Club Final Draft Contract with  
17 exhibits.doc)

Exhibit A

Riverview Golf and Country Club  
Sacramento River

SCHEDULE OF MONTHLY DIVERSIONS OF WATER

	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Contract Total</u> (acre-feet)
April	<u>30</u>	<u>0</u>	<u>30</u>
May	<u>35</u>	<u>0</u>	<u>35</u>
June	<u>45</u>	<u>0</u>	<u>45</u>
July	<u>45</u>	<u>10</u>	<u>55</u>
August	<u>45</u>	<u>10</u>	<u>55</u>
September	<u>30</u>	<u>5</u>	<u>35</u>
October	<u>25</u>	<u>0</u>	<u>25</u>
Total	<u>255</u>	<u>25</u>	<u>280</u>

Irrigable Acres: 100

Points of Diversion: 240.8L

Dated:

Exhibit B

(Map to be inserted to identify area covered by contract)

Riverview Golf and Country Club  
Sacramento River

Exhibit C

Omitted

Exhibit D  
Riverview Golf and Country Club  
 Sacramento River  
WATER RATES AND CHARGES

*Note: Rates and Charges shown are 2003 rates. This exhibit will be updated prior to execution of the contract to reflect the Rates and Charges for 2004.*

COST OF SERVICE RATES:	<u>Per Irrigated Acre</u>
Capital Rate	
Storage	\$0.96
O&M Rates:	
Water Marketing	\$0.92
Storage	\$1.45
Deficit Rate:	
Interest Bearing	\$0.01
CFO/PFR Adjustment Rate 1/	<u>\$0.72</u>
TOTAL RATES	\$4.06
CHARGES UNDER P.L. 102-575 TO THE RESTORATION FUND 2/	
Restoration Payment (3407(d)(2)(A))	<u>\$3.85</u>
TOTAL RATES AND CHARGES	<u>\$7.91</u>

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

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