

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

CONTRACT BETWEEN THE UNITED STATES AND
ANNA C. BYRD, JANE OSBORNE, ANNA C. BYRD, TRUSTEE OF THE ANNA C. BYRD
TRUST, AND JANE OSBORNE, TRUSTEE OF THE JANE OSBORNE REVOCABLE
TRUST, DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
SETTLING WATER RIGHTS DISPUTES AND
PROVIDING FOR PROJECT WATER

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7 CONTRACT BETWEEN THE UNITED STATES AND
8 ANNA C. BYRD, JANE OSBORNE, ANNA C. BYRD, TRUSTEE OF THE ANNA C. BYRD
9 TRUST, AND JANE OSBORNE, TRUSTEE OF THE JANE OSBORNE REVOCABLE
10 TRUST, DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
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 18th day of March, 2005, pursuant to the applicable authority
16 granted to it generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
17 supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
18 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
19 including, but not limited to, Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21,
20 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as
21 amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
22 hereinafter referred to as Federal Reclamation law, and ANNA C. BYRD, JANE OSBORNE,
23 ANNA C. BYRD, TRUSTEE OF THE ANNA C. BYRD TRUST, AND JANE OSBORNE,
24 TRUSTEE OF THE JANE OSBORNE REVOCABLE TRUST, hereinafter referred to as the
25 Contractor, acting pursuant to Sections 12003 and 12004 of the California Water Code, with its
26 principal place of business in California;

27 WITNESSETH, that:

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EXPLANATORY RECITALS

29

[1st] WHEREAS, the United States has constructed and is operating the Central Valley

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Project, California, for multiple purposes pursuant to its statutory authority; and

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[2nd] WHEREAS, the Contractor has rights to divert, is diverting, and will continue to

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divert for reasonable beneficial use, water from the natural flow of the Sacramento River and

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tributaries thereto, that would have been flowing therein if the Central Valley Project were not in

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existence;

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[3rd] WHEREAS, the construction and operation of the integrated and coordinated

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Central Valley Project has changed and will further change the regimen of the Sacramento,

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American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin Delta from

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unregulated flow to regulated flow; and

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[4th] WHEREAS, the United States has rights to divert, is diverting, and will continue

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to divert waters from said Rivers and said Delta in connection with the operation of said Central

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Valley Project; and

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[5th] WHEREAS, the Contractor and the United States had a dispute over the

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respective rights of the parties to divert and use water from the regulated flow of the Sacramento

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River which threatened to result in litigation, and as a means to settle that dispute entered into

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Contract No. 14-06-200-1595A, as amended, hereinafter referred to as the Existing Contract,

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which established terms for the delivery to the Contractor of Central Valley Project Water, and

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the quantities of Base Supply the United States and the Contractor agreed may be diverted by the

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Contractor from the Sacramento River pursuant to such contract; and

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[6th] WHEREAS, the United States and the Contractor disagree with respect to the

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authority of the United States to change the quantities of Base Supply and/or Project Water

51 specified as available for diversion in this Settlement Contract from the quantities specified in
52 the Existing Contract, and other issues related thereto. That dispute was the subject of litigation
53 in a lawsuit entitled *Glenn-Colusa Irrigation District, et al. v. United States, et al.* [Civ. No. S-
54 01-1816 GEB/JFM (E.D. Cal.)], but that litigation was dismissed, without prejudice, pursuant to
55 a stipulation of dismissal filed by the parties thereto on August 29, 2002. Notwithstanding that
56 dismissal, the Contractor and the United States enter into this Settlement Contract to renew the
57 Existing Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and
58 the laws of the State of California; and

59 [7th] WHEREAS, to assure the Contractor of the enjoyment and use of the regulated
60 flow of the said Rivers and the Delta, and to provide for the economical operation of the Central
61 Valley Project by, and the reimbursement to, the United States for expenditures made for said
62 Project.

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

65 DEFINITIONS

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

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

72 (b) "Basin-Wide Water Management Plan" shall mean the mutually agreeable
73 Sacramento River Basinwide Water Management Plan, dated October 11, 2004, developed by

74 Glenn-Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual Water
75 Company, Pelger Mutual Water Company, Princeton-Codora-Glenn Irrigation District, Provident
76 Irrigation District, Reclamation District 108, Sutter Mutual Water Company, Anderson-
77 Cottonwood Irrigation District, Meridian Farms Water Company, Reclamation District 1004, and
78 the U.S. Bureau of Reclamation;

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

83 (d) "Contract Total" shall mean the sum of the Base Supply and Project Water
84 available for diversion by the Contractor for the period April 1 through October 31;

85 (e) "Critical Year" shall mean any Year in which either of the following
86 eventualities exists:

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

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

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

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

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

108 (g) "Eligible Lands" shall mean all lands to which Project Water may be
109 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
110 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

111 (h) "Excess Lands" shall mean all lands in excess of the limitations contained
112 in Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal
113 Reclamation law;

114 (i) "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)
115 or 202(3) of the RRA, whichever is applicable;

116 (j) "Ineligible Lands" shall mean all lands to which Project Water may not be
117 delivered in accordance with Section 204 of the RRA;

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

120 (l) "Project" shall mean the Central Valley Project owned by the United
121 States and managed by the Department of the Interior, Bureau of Reclamation;

122 (m) "Project Water" shall mean all Surface Water diverted or scheduled to be
123 diverted each month during the period April through October of each Year by the Contractor
124 from the Sacramento River which is in excess of the Base Supply. The United States recognizes
125 the right of the Contractor to make arrangements for acquisition of water from projects of others
126 than the United States for delivery through the Sacramento River and tributaries subject to
127 written agreement between Contractor and the United States as to identification of such water
128 which water when so identified shall not be deemed Project Water under this Settlement
129 Contract;

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

133 (o) "Secretary" or "Contracting Officer" shall mean the Secretary of the
134 Interior, a duly appointed successor, or an authorized representative acting pursuant to any
135 authority of the Secretary and through any agency of the Department of the Interior;

136 (p) "Surface Water" shall mean only those waters that are considered as
137 surface water under California law;

138 (q) "Water Year" shall mean the period commencing with October 1 of one
139 year and extending through September 30 of the next; and

140 (r) "Year" shall mean a calendar year.

141 TERM OF SETTLEMENT CONTRACT

142 2. (a) This Settlement Contract shall become effective April 1, 2005, and shall
143 remain in effect until and including March 31, 2045; Provided, that under terms and conditions
144 mutually agreeable to the parties hereto, renewals may be made for successive periods not to
145 exceed 40 years each. The terms and conditions of each renewal shall be agreed upon not later
146 than one year prior to the expiration of the then existing Settlement Contract.

147 (b) With respect to Project Water and the portions of this Settlement Contract
148 pertaining thereto, upon written request by the Contractor of the Secretary made not later than
149 one year prior to the expiration of this Settlement Contract, whenever, account being taken of the
150 amount then credited to the costs of construction of water supply works, the remaining amount of
151 construction costs of water supply work which is properly assignable for ultimate return by the
152 Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public
153 Law 643 (70 Stat. 483), probably can be repaid to the United States within the term of a contract
154 under subsection 9(d) of the 1939 Reclamation Project Act (53 Stat. 1187), the relevant portions
155 of this Settlement Contract may be converted to a contract under said subsection 9(d) upon terms
156 and conditions mutually agreeable to the United States and the Contractor. The Secretary shall
157 make a determination ten years after the date of execution of this Settlement Contract, and every
158 five years thereafter, of whether a conversion to a contract under said subsection 9(d) can be
159 accomplished pursuant to Public Law 643. Notwithstanding any provision of this Settlement
160 Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.

161 WATER TO BE FURNISHED TO CONTRACTOR

162 3. (a) Subject to the conditions, limitations, and provisions hereinafter
163 expressed, the Contractor is hereby entitled and authorized to divert from the Sacramento River

164 at the locations shown in Exhibit A, for beneficial use within the area delineated on Exhibit B,
165 (both Exhibits are attached hereto and made a part hereof), the Contract Total designated in
166 Exhibit A, or any revision thereof, in accordance with the monthly operating schedule required
167 by Article 3(c) of this Settlement Contract. The quantity of any water diverted under this
168 Settlement Contract from the Sacramento River, during the period April through October, for use
169 on any lands delineated on Exhibit B, by the owner of such lands or otherwise shall constitute a
170 part of the Contract Total as shown on Exhibit A and shall be subject to all the provisions of this
171 Settlement Contract relating to such Contract Total as if such diversion were made by the
172 Contractor.

173 (b) The Contractor may have acquired rights to divert water from the
174 Sacramento River during the period April through October, that were obtained after the date of
175 execution of the Existing Contract, or the Contractor may acquire such rights in the future. All
176 diversions made from the Sacramento River, pursuant to such rights, during the period April
177 through October, shall not be considered a part of the quantity of Base Supply and Project Water
178 specified in Exhibit A; Provided, that the quantities diverted pursuant to the above rights shall be
179 identified on the schedule submitted pursuant to Article 3(c) below, and shall not be substituted
180 for any Base Supply or Project Water; Provided, further, that any such identified quantities of
181 other acquired rights may be diverted by the Contractor before incurring any fee pursuant to
182 Article 3(c)(1), below.

183 (c) Before April 1 and before the first day of each month thereafter when a
184 revision is needed, the Contractor shall submit a written schedule to the Contracting Officer
185 indicating the Contract Total to be diverted by the Contractor during each month under this
186 Settlement Contract. The United States shall furnish water to the Contractor in accordance with

187 the monthly operating schedule or any revisions thereof. However, the United States recognizes
188 the need of the Contractor to change from time to time its monthly diversions of water from the
189 quantities shown in Exhibit A; the Contractor may make such changes, provided:

190 (1) that for the quantity of Base Supply diverted in excess of the
191 monthly quantity shown in Exhibit A, and as may be reduced in accordance with Article 5(a),
192 during June, July, August, September, or October of any Water Year, the Contractor shall be
193 charged a rescheduling fee equal to 50 percent of the sum of the storage operations and
194 maintenance rate and the storage capital rate components of the Project ratesetting policy.

195 (2) that in no event shall the total quantity scheduled for diversion by
196 the Contractor from the Sacramento River:

197 (i) During the period April through October exceed the
198 aggregate of the Contract Total for that period shown in Exhibit A or any revision
199 thereof;

200 (ii) During the period July through September exceed the
201 aggregate of the Contract Total for that period shown in Exhibit A or any revision
202 thereof.

203 (d) In the event conditions warrant, the Contracting Officer reserves the right
204 to require the Contractor to submit, at least 72 hours prior to the beginning of each weekly
205 period, its estimate of daily diversion requirements for each such period from the Sacramento
206 River; Provided, however, that changes during any such period may be made upon the giving of
207 72 hours' notice thereof to the Contracting Officer.

208 (e) No sale, transfer, exchange, or other disposal of any of the Contract Total
209 designated in Exhibit A or the right to the use thereof for use on land other than that shown on

210 Exhibit B shall be made by the Contractor without first obtaining the written consent of the
211 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be
212 rendered in a timely manner. For short-term actions that will occur within one year or less, the
213 decision will be rendered within 30 days after receipt of a complete written proposal. For long-
214 term actions that will occur in a period longer than one year, the decision will be rendered within
215 90 days after receipt of a complete written proposal. For a proposal to be deemed complete by
216 the Contracting Officer, it must comply with all provisions required by State and Federal law,
217 including information sufficient to enable the Contracting Officer to comply with the National
218 Environmental Policy Act, the Endangered Species Act, and applicable rules or regulations then
219 in effect; Provided, that such consent does not authorize the use of Federal facilities to facilitate
220 or effectuate the sale, transfer, exchange, or other disposal of Base Supply. Such use of Federal
221 facilities will be the subject of a separate agreement to be entered into between the Contractor
222 and Reclamation.

223 (f) For the purpose of determining whether Section 3405(a)(1)(M) of the
224 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting
225 Officer acknowledges that the Contractor is within a county, watershed, or other area of origin,
226 as those terms are utilized under California law.

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

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

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

255 which is being used pursuant to this Settlement Contract for surface irrigation or underground
256 storage for the benefit of the lands shown on Exhibit B by the Contractor.

257 CONSTRAINTS ON THE AVAILABILITY OF WATER

258 5. (a) In a Critical Year, the Contractor's Base Supply and Project Water agreed
259 to be diverted during the period April through October of the Year in which the principal portion

260 of the Critical Year occurs and, each monthly quantity of said period shall be reduced by
261 25 percent.

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

266 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

267 6. The Contractor and United States desire to work together to maximize the
268 reasonable beneficial use of water for their mutual benefit. As a consequence, the United States
269 and the Contractor will work in partnership and with others within the Sacramento Valley,
270 including other contractors, to facilitate the better integration within the Sacramento Valley of all
271 water supplies including, but not limited to, the better management and integration of surface
272 water and groundwater, the development and better utilization of surface water storage, the
273 effective utilization of waste, seepage and return flow water, and other operational and
274 management options that may be identified in the future.

275 USE OF WATER FURNISHED TO CONTRACTOR

276 7. (a) Project Water furnished to the Contractor pursuant to this Settlement
277 Contract shall not be delivered or furnished by the Contractor for any purposes other than
278 agricultural purposes without the written consent of the Contracting Officer. For purposes of this
279 Settlement Contract, "agricultural purposes" includes, but is not restricted to, the irrigation of
280 crops, the watering of livestock, incidental domestic use including related landscape irrigation,
281 and underground water replenishment.

282 (b) The Contractor shall comply with requirements applicable to the
283 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
284 of this Settlement Contract undertaken pursuant to Section 7 of the Endangered Species Act of
285 1973, as amended, that are within the Contractor's legal authority to implement. The Existing
286 Contract, which evidences in excess of 40 years of diversions, for agricultural uses, of the
287 quantities of water provided for in Article 3, and the underlying water rights of the Contractor
288 will be considered in developing an appropriate base-line for the Biological Assessment prepared
289 pursuant to the Endangered Species Act, and in any other needed environmental review.
290 Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial
291 relief in a court of competent jurisdiction with respect to any biological opinion or other
292 environmental documentation referred to in this Article.

293 RATE AND METHOD OF PAYMENT FOR WATER

294 8. (a) The Contractor shall make payments to the United States as provided in
295 this Article for all Project Water shown in Exhibit A as follows:

296 (1) 75 percent of the amount shown as Project Water shall be paid for
297 by the Contractor in each Year; and in addition

298 (2) the Contractor shall pay for Project Water actually diverted in
299 excess of 75 percent of the amount shown as Project Water.

300 Such payments shall be at Rates and Charges established in accordance with: (i) the
301 Secretary's then-current ratesetting policies for the Project; and (ii) applicable Reclamation law
302 and associated rules and regulations, or policies; Provided, that if the Contractor desires to use
303 Project Water for other than agricultural purposes the Rates and Charges set forth above will be
304 adjusted by the Contracting Officer to the applicable Rates and Charges for such purposes. The
305 Rates and Charges applicable to the Contractor upon execution of this Settlement Contract are
306 set forth in Exhibit D, as may be revised annually. The Secretary's ratesetting policies for the
307 Project shall be amended, modified, or superseded only through a public notice and comment
308 procedure. The Contracting Officer shall adjust the amount of Project Water for which payment
309 is required to the extent of any reduction in diversions of Project Water made in accordance with
310 the water conservation provisions of Article 29(e).

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

313 (1) Prior to July 1 of each Year, the Contracting Officer shall provide
314 the Contractor an estimate of the Charges for Project Water that will be applied to the period
315 October 1, of the current Year, through September 30, of the following Year, and the basis for
316 such estimate. The Contractor shall be allowed not less than two months to review and comment
317 on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify
318 the Contractor in writing of the Charges to be in effect during the period October 1 of the current
319 Year, through September 30, of the following Year, and such notification shall revise Exhibit D.

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

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

329 (1) With respect to Rates, prior to May 1 of each Year, the Contractor
330 shall pay the United States one-half the total amount payable pursuant to subdivision (a) of this
331 Article and the remainder shall be paid prior to July 1 or such later date or dates as may be
332 specified by the United States in a written notice to the Contractor; Provided, however, that if at
333 any time during the Year the amount of Project Water diverted by the Contractor shall equal the
334 amount for which payment has been made, the Contractor shall pay for the remaining amount of
335 such water as shown in Exhibit A in advance of any further diversion of Project Water.

336 (2) With respect to Charges, the Contractor shall also make a payment
337 to the United States, in addition to the Rate(s) in subdivision (c)(1) of this Article, at the Charges
338 then in effect, before the end of the month following the month of delivery or transfer. The
339 payments shall be consistent with the quantities of Project Water delivered or transferred.
340 Adjustment for overpayment or underpayment of Charges shall be made through the adjustment
341 of payments due to the United States for Charges for the next month. Any amount to be paid for

342 past due payment of Charges shall be computed pursuant to Article 13 of this Settlement
343 Contract.

344 (d) Payments to be made by the Contractor to the United States under this
345 Settlement Contract may be paid from any revenues available to the Contractor. All revenues
346 received by the United States from the Contractor relating to the delivery of Project Water or the
347 delivery of non-Project Water through Project facilities shall be allocated and applied in
348 accordance with Federal Reclamation law and the associated rules or regulations, and the then
349 current Project ratesetting policies for irrigation water.

350 (e) The Contracting Officer shall keep its accounts pertaining to the
351 administration of the financial terms and conditions of its long-term water service and Settlement
352 Contracts, in accordance with applicable Federal standards, so as to reflect the application of
353 Project costs and revenues. The Contracting Officer shall, each Year upon request of the
354 Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense
355 allocations, the disposition of all Project and Contractor revenues, and a summary of all water
356 delivery information. The Contracting Officer and the Contractor shall enter into good faith
357 negotiations to resolve any discrepancies or disputes relating to accountings, reports, or
358 information.

359 (f) The parties acknowledge and agree that the efficient administration of this
360 Settlement Contract is their mutual goal. Recognizing that experience has demonstrated that
361 mechanisms, policies, and procedures used for establishing Rates and Charges and/or for making
362 and allocating payments, other than those set forth in this Article may be in the mutual best
363 interest of the parties, it is expressly agreed that the parties may enter into agreements to modify

364 the mechanisms, policies, and procedures for any of those purposes while this Settlement
365 Contract is in effect without amendment of this Settlement Contract.

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

377 (h) Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates
378 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor shall be the
379 Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any)
380 of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of
381 delivery in accordance with the then-current ratesetting policies for the Project. Except as
382 provided in subsection 3407(d)(2)(A) of the CVPIA, the Charges for Project Water transferred,
383 exchanged, or otherwise disposed of, by the Contractor shall be the Contractor's Charges
384 specified in Exhibit D. If the Contractor is receiving lower Rates and Charges because of
385 inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to
386 another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and

387 Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the
388 Contractor's Rates and Charges unadjusted for ability to pay.

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

391 (j) Each payment to be made pursuant to subdivisions (a) and (c) of this
392 Article shall be made at the office of the Bureau of Reclamation, MP Region: Mid-Pacific,
393 P.O. Box 894242, Los Angeles, CA 90189-4242, or at such other place as the United States may
394 designate in a written notice to the said Contractor. Payments shall be made by cash transaction,
395 wire, or any other mechanism as may be agreed to in writing by the Contractor and the
396 Contracting Officer. In the event there should be a default in the payment of the amount due, the
397 delinquent payment provisions of Article 13 shall apply. The Contractor shall not be relieved of
398 the whole or any part of its said obligation by, on account of, or notwithstanding, as the case may
399 be:

400 (1) Its failure, refusal, or neglect to divert 75 percent of the quantity of
401 Project Water shown on Exhibit A;

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

404 (3) Any judicial determination that any assessment, toll, or other
405 charge referred to in subsection 8(c)(2) of this Settlement Contract is irregular, void, or
406 ineffectual; or

407 (4) Any injunctive process enjoining or restraining the Contractor
408 from making or collecting any such assessment, toll, or other charge referred to in subsection
409 8(c)(2) of this Settlement Contract.

410 AGREEMENT ON WATER QUANTITIES

411 9. (a) During the term of this Settlement Contract and any renewals thereof:

412 (1) It shall constitute full agreement as between the United States and
413 the Contractor as to the quantities of water and the allocation thereof between Base Supply and
414 Project Water which may be diverted by the Contractor from the Sacramento River for beneficial
415 use on the land shown on Exhibit B from April 1 through October 31, which said diversion, use,
416 and allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations
417 hereunder;

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

420 (b) Nothing herein contained is intended to or does limit rights of the
421 Contractor against others than the United States or of the United States against any person other
422 than the Contractor; Provided, however, that in the event the Contractor, the United States, or
423 any other person shall become a party to a general adjudication of rights to the use of water of
424 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or position
425 of either party hereto or of any other person and the rights of all such persons in respect to the
426 use of such water shall be determined in such proceedings the same as if this Settlement Contract
427 had not been entered into, and if final judgment in any such general adjudication shall determine
428 that the rights of the parties hereto are different from the rights as assumed herein, the parties
429 shall negotiate an amendment to give effect to such judgment. In the event the parties are unable
430 to agree on an appropriate amendment they shall, within 60 days of determining that there is an
431 impasse, employ the services of a neutral mediator, experienced in resolving water rights
432 disputes, to assist in resolving the impasse. The cost of the mediation will be shared equally. A

433 failure to reach agreement on an amendment within 60 days of the end of mediation will cause
434 the immediate termination of this Settlement Contract.

435 (c) In the event that the California State Water Resources Control Board or a
436 court of competent jurisdiction issues a final decision or order modifying the terms and
437 conditions of the water rights of either party to this Settlement Contract in order to impose Bay-
438 Delta water quality obligations, the Contractor and the United States shall promptly meet to
439 determine whether or not to modify any of the terms of this Settlement Contract to comply with
440 the final decision or order, including, but not limited to, the applicability of the rescheduling
441 charge in Article 3(c)(1) of this Settlement Contract. If within 60 days of the date of the issuance
442 of the final decision or order the parties are not able to reach agreement regarding either the need
443 to modify this Settlement Contract or the manner in which this Settlement Contract is to be
444 modified, the parties shall promptly retain a neutral mediator, experienced in resolving water
445 right disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be
446 shared equally. In the event that either of the parties to this Settlement Contract determines that
447 the parties will not be able to develop mutually-agreeable modification(s) to this Settlement
448 Contract even with the assistance of a mediator, either of the parties to this Settlement Contract
449 may attempt to resolve the impasse by seeking appropriate judicial relief including, but not
450 limited to, filing a general adjudication of the rights to the use of water in the Sacramento River
451 system. The foregoing provisions of this sub-article shall only apply to the incremental
452 obligations contained within a final decision or order of the State Water Resources Control
453 Board that reflects a modification to the obligations imposed in State Water Resources Control
454 Board Revised Water Rights Decision 1641 dated March 15, 2000, and its associated 1995 Water

455 Quality Control Plan which, taken together, will be considered the baseline for the application of
456 the provisions of this sub-article.

457 (d) In the event this Settlement Contract terminates, the rights of the parties to
458 thereafter divert and use water shall exist as if this Settlement Contract had not been entered into;
459 and the fact that as a compromise settlement of a controversy as to the respective rights of the
460 parties to divert and use water and the yield of such rights during the term hereof, this Settlement
461 Contract places a limit on the Contract Total to be diverted annually by the Contractor during the
462 Settlement Contract term and segregates it into Base Supply and Project Water shall not
463 jeopardize the rights or position of either party with respect to its water rights or the yield thereof
464 at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all
465 times will first use water to the use of which it is entitled by virtue of its own water rights, and
466 neither the provisions of this Settlement Contract, action taken thereunder, nor payments made
467 thereunder to the United States by the Contractor shall be construed as an admission that any part
468 of the water used by the Contractor during the term of this Settlement Contract was in fact water
469 to which it would not have been entitled under water rights owned by it nor shall receipt of
470 payments thereunder by the United States from the Contractor be construed as an admission that
471 any part of the water used by the Contractor during the term of this Settlement Contract was in
472 fact water to which it would have been entitled under water rights owned by it.

473 MEASUREMENT OF WATER

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

477 (b) All water diverted from the Sacramento River pursuant to this Settlement
478 Contract will be measured or caused to be measured by the United States at each point of
479 diversion with existing equipment or equipment to be installed, operated, and maintained by the
480 United States, and/or others, under contract with and at the option of the United States. The
481 equipment and methods used to make such measurement shall be in accordance with sound
482 engineering practices. Upon request of the Contractor, the accuracy of such measurements will
483 be investigated by the Contracting Officer and any errors appearing therein will be corrected.

484 (c) The right of ingress to and egress from all points of diversion is hereby
485 granted to all authorized employees of the United States. The Contractor also hereby grants to
486 the United States the right to install, operate, maintain, and replace such equipment on diversion
487 or carriage facilities at each point of diversion as the Contracting Officer deems necessary.

488 (d) The Contractor shall not modify, alter, remove, or replace diversion
489 facilities or do any other act which would alter the effectiveness or accuracy of the measuring
490 equipment installed by the United States or its representatives unless and until the Contracting
491 Officer has been notified with due diligence and has been given an opportunity to modify such
492 measuring equipment in such manner as may be necessary or appropriate. In the event of an
493 emergency the Contractor shall notify the United States within a reasonable time thereafter as to
494 the existence of the emergency and the nature and extent of such modification, alteration,
495 removal, or replacement of diversion facilities.

496 (e) The Contractor shall pay the United States for the costs to repair, relocate,
497 or replace measurement equipment when the Contractor modifies, alters, removes, or replaces
498 diversion or carriage facilities.

499 (f) Contractor and Contracting Officer shall develop a mutually agreeable
 500 surface water delivery water measurement program which shall be implemented by the
 501 Contractor, and such measurement program shall be consistent with the conservation and
 502 efficiency criteria for evaluating water conservation plans as provided in Article 29(a).

503 (g) All new surface water delivery systems installed within the lands
 504 delineated on Exhibit B after the effective date of this Settlement Contract shall also comply with
 505 the measurement provisions described in this Article.

506 RULES AND REGULATIONS

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

512 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

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

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

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

526

CHARGES FOR DELINQUENT PAYMENTS

527 13. (a) The Contractor shall be subject to interest, administrative and penalty
 528 charges on delinquent installments or payments. When a payment is not received by the due
 529 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond
 530 the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an
 531 administrative charge to cover additional costs of billing and processing the delinquent payment.
 532 When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty
 533 charge of six percent per year for each day the payment is delinquent beyond the due date.
 534 Further, the Contractor shall pay any fees incurred for debt collection services associated with a
 535 delinquent payment.

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

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

544

QUALITY OF WATER

545 14. The operation and maintenance of Project facilities shall be performed in such
 546 manner as is practicable to maintain the quality of raw water made available through such
 547 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
 548 United States does not warrant the quality of water and is under no obligation to construct or
 549 furnish water treatment facilities to maintain or better the quality of water.

550

WATER AND AIR POLLUTION CONTROL

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

555

EQUAL OPPORTUNITY

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

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

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

572 (c) The Contractor will send to each labor union or representative of workers
573 with which it has a collective bargaining agreement or other contract or understanding, a notice,
574 to be provided by the Contracting Officer, advising the said labor union or workers'
575 representative of the Contractor's commitments under Section 202 of Executive Order No. 11246
576 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places
577 available to employees and applicants for employment.

578 (d) The Contractor will comply with all provisions of Executive Order No.
579 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of
580 the Secretary of Labor.

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

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

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

602 17. Omitted.

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

604 18. (a) Project Water must of necessity be transported by the Contractor to its
605 water users by means of the same works and channels used for the transport of its non-Project
606 Water including Base Supply. Notwithstanding such mingling of water, the provisions of Article
607 11 hereof shall be applicable only to Project Water, and such mingling of water shall not in any
608 manner subject to the provisions of Article 11 hereof the Contractor's non-Project Water
609 including Base Supply.

610 (b) If required in accordance with subdivision (c) of this Article, the
611 Contractor shall install and maintain such measuring equipment and distribution facilities and
612 maintain such records as may be necessary to determine the amounts of water delivered to
613 Excess Lands served by the Contractor. The Contractor shall not within any month deliver to
614 Ineligible Lands water in excess of the non-Project Water, including Base Supply, for that
615 month. The Contracting Officer or authorized representative shall have the right at all
616 reasonable times to inspect such records and measuring equipment.

617 (c) The Contractor will not be considered in violation of the requirement that
618 Project Water be delivered only to Eligible Lands during any month of the irrigation season that
619 the water requirement for beneficial use on Eligible Lands for that month is equal to or in excess

620 of the Project Water for that month as shown on Exhibit A or any revision thereof pursuant to
621 subdivision (c) of Article 3. The water requirement for beneficial use on Eligible Lands will be
622 determined by multiplying:

623 (1) the number of irrigable acres of the particular types of crops grown
624 in that year on the acreage designated as eligible by

625 (2) the Unit Duties as set forth in Exhibit C attached hereto and made
626 a part hereof, or by such other Unit Duties mutually agreed upon by the Contractor and the
627 Contracting Officer. In order to make the computation of the water requirement for Eligible
628 Lands, on April 1 of each Year and concurrently with its order for water for the irrigation season,
629 the Contractor shall designate the acreage of and type of crops to be grown on its Eligible Lands
630 that irrigation season. During any month the water requirement as above determined for crops
631 growing on Eligible Lands during such month is equal to or in excess of the Project Water for
632 that month as provided herein the Contractor shall not be required to measure the water delivered
633 to Excess Lands. Any month the said water requirement is less than the amount of Project Water
634 as provided herein, the Contractor will be required to measure water delivered to excess land in
635 accordance with subdivision (b) hereof.

636 BOOKS, RECORDS, AND REPORTS

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

646

CHANGE OF PLACE OF USE OR ORGANIZATION

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20. (a) Unless the written consent of the United States is first obtained no change

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shall be made in the place of water use shown on Exhibit B.

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CONSOLIDATION OF CONTRACTING ENTITIES

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21. Consolidation of Contractors may be approved by the Contracting Officer

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provided: (i) the Contracting Officer approves the form and organization of the resulting entity

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and the utilization by it of the Contract Total; and (ii) the obligations of the Contractors are

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assumed by such entity.

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No such consolidation shall be valid unless and until approved by the Contracting

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Officer.

656

NOTICES

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22. Any notice, demand, or request authorized or required by this Settlement Contract

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shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,

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or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,

660

16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United

661

States, when mailed, postage prepaid, or delivered to Ms. Jane Osborne, Furlan Joint Venture,

662

22318 Gifford Road, Knights Landing, California 95645. The designation of the addressee or

663

the address may be changed by notice given in the same manner as provided in this Article for

664

other notices.

665

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

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23. (a) The provisions of this Settlement Contract shall apply to and bind the

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successors and assigns of the parties hereto, but no assignment or transfer of this Settlement

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Contract or any right or interest therein shall be valid until approved in writing by the

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Contracting Officer.

670

(b) The assignment of any right or interest in this Settlement Contract by

671

either party shall not interfere with the rights or obligations of the other party to this Settlement

672

Contract absent the written concurrence of said other party.

673

(c) The Contracting Officer shall not unreasonably condition or withhold his

674

approval of any proposed assignment.

675

OFFICIALS NOT TO BENEFIT

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

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

683 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

689 CONFIRMATION OF SETTLEMENT CONTRACT

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

697 UNAVOIDABLE GROUNDWATER PERCOLATION

698 27. To the extent applicable, the Contractor shall not be deemed to have delivered
699 Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with groundwater
700 that reaches the underground strata as an unavoidable result of the delivery of Project Water by
701 the Contractor to Eligible Lands.

702 PRIVACY ACT COMPLIANCE

703 28. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a)
704 (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et
705 seq.) in maintaining Landholder acreage certification and reporting records, required to be

706 submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation
707 Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.18.

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

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

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

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

728 WATER CONSERVATION

729 29. (a) Prior to the diversion of Project Water, the Contractor shall be
730 implementing an effective water conservation and efficiency program based on the Basin-Wide
731 Water Management Plan and/or Contractor's water conservation plan that has been determined
732 by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water
733 conservation plans established under Federal law. The water conservation and efficiency
734 program shall contain definite water conservation objectives, appropriate economically feasible
735 water conservation measures, and time schedules for meeting those objectives. Continued
736 diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the
737 Contractor's continued implementation of such water conservation program. In the event the

738 Contractor's water conservation plan or any revised water conservation plan completed pursuant
739 to subdivision (c) of Article 29 of this Settlement Contract have not yet been determined by the
740 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer
741 determines are beyond the control of the Contractor, Project Water deliveries shall be made
742 under this Settlement Contract so long as the Contractor diligently works with the Contracting
743 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor
744 immediately begins implementing its water conservation and efficiency program in accordance
745 with the time schedules therein.

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

749 (c) At five-year intervals, the Contractor shall revise its water conservation
750 plan to reflect the then current conservation and efficiency criteria for evaluating water
751 conservation plans established under Federal law and submit such revised water management
752 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then
753 determine if the water conservation plan meets Reclamation's then current conservation and
754 efficiency criteria for evaluating water conservation plans established under Federal law.

755 (d) If the Contractor is engaged in direct groundwater recharge, such activity
756 shall be described in the Contractor's water conservation plan.

757 (e) In order to provide incentives for water conservation, the Contractor may
758 reduce the amount of Project Water for which payment is required under Article 8(a) in
759 accordance with the provisions of this Article 29(e).

760 (1) On or before February 15 of any Water Year, the Contractor may
761 file with Reclamation an offer to reduce Project Water use, hereinafter referred to as Offer. The
762 Offer shall specify the maximum quantity of Project Water to be diverted by the Contractor for
763 each month that Project Water is available for that Water Year under this Settlement Contract.
764 The Contracting Officer shall provide the Contractor with a decision, in writing, to the Offer on
765 or before March 15 of that Water Year. The dates specified in this Article 29(e)(1) can be
766 changed if mutually agreed to, in writing, by the Contractor and Contracting Officer.

767 (2) If Reclamation accepts the Offer, the Contractor's payment
768 obligation under Article 8(a)(1) shall be reduced to the maximum quantity of Project Water to be
769 diverted by the Contractor as specified in the Offer. The Contractor shall not divert Project
770 Water in excess of the quantities set forth in the Offer; Provided, however, if the Contractor's
771 diversions of Project Water exceed the quantities set forth in the Offer, the Contractor shall pay
772 to Reclamation the applicable Rates and Charges plus an amount equal to the applicable Rates
773 and Charges, unadjusted for ability to pay, for each acre-foot of Project Water diverted in excess
774 of the quantities set forth in the Offer.

775 (3) If Reclamation decides not to accept the Offer, the Contractor's
776 payment obligation will remain as specified in Article 8(a)(1).

777 (4) The provisions of this Article 29(e) shall be in addition to and shall
778 not affect the provisions of Article 3(e) pertaining to the sale, transfer, exchange, or other
779 disposal of the Contract Total designated in Exhibit A.

780 OPINIONS AND DETERMINATIONS

781 30. (a) Where the terms of this Settlement Contract provide for actions to be
782 based upon the opinion or determination of either party to this Settlement Contract, said terms

783 shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or
784 unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of
785 this Settlement Contract, expressly reserve the right to seek relief from and appropriate
786 adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each
787 opinion or determination by either party shall be provided in a timely manner. Nothing in
788 subdivision (a) of Article 30 of this Settlement Contract is intended to or shall affect or alter the
789 standard of judicial review applicable under Federal law to any opinion or determination
790 implementing a specific provision of Federal law embodied in statute or regulation.

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

796 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

797 31. (a) In addition to all other payments to be made by the Contractor pursuant to
798 this Settlement Contract, the Contractor shall pay to the United States, within 60 days after
799 receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for
800 such specific items of direct cost incurred by the United States for work requested by the
801 Contractor associated with this Settlement Contract plus indirect costs in accordance with
802 applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this
803 Article shall not exceed the amount agreed to in writing in advance by the Contractor. This
804 Article shall not apply to costs for routine contract administration.

805 (b) All advances for miscellaneous costs incurred for work requested by the
806 Contractor pursuant to Article 31 of this Settlement Contract shall be adjusted to reflect the
807 actual costs when the work has been completed. If the advances exceed the actual costs incurred,
808 the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
809 advances, the Contractor will be billed for the additional costs pursuant to Article 31 of this
810 Settlement Contract.

811 WAIVER OF DEFAULT

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

816 CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

817 33. (a) The rights and obligations of the Contractor may be transferred in
818 connection with the transfer of title to the land or any portion thereof delineated on Exhibit B on
819 the following terms and conditions:

820 (1) A voluntary inter vivos transfer may be made, upon mutual
821 agreement of the United States and the Contractor, to a person eligible to hold title to the land as
822 a nonexcess landowner:

823 (2) A voluntary inter vivos transfer may be made to a person ineligible
824 to hold title to the land as a nonexcess landowner provided that no Project Water may thereafter
825 be used on Excess Lands and the assignee shall not be privileged to obtain such use of Project
826 Water on Excess Lands.

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

851 THE UNITED STATES OF AMERICA

852 APPROVED AS TO LEGAL
853 FORM AND SUFFICIENCY
854 *James E. Turner*
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

By: *[Signature]*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

855 (SEAL)

856 CONTRACTORS:

857 *[Signature]*
858 Anna C. Byrd

859 *[Signature]*
860 Jane Osborne

861 *[Signature]*
862 Anna C. Byrd, Trustee of the
Anna C. Byrd Trust

863 *[Signature]*
864 Jane Osborne, Trustee of the
865 Jane Osborne Revocable Trust

866 (H:\public\Sac River Final LTRC's\2005-01-31 Byrd, Anna C. and Osborne, Jane Final Draft
867 Contract with exhibits.doc)

ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Sutter

} ss.

On

MARCH 14 2005

(DATE)

before me,

LAVERNE M. DRIVER

(NOTARY)

personally appeared

JANE OSBORNE AND ANNA C. BYRD

SIGNER(S)



personally known to me

- OR -



proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Laverne M. Driver
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

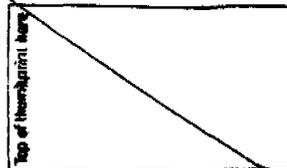
NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER



DECLARATION OF TRUST

ANNA C. BYRD, hereinafter called the "Settlor", declares that she has transferred, conveyed and assigned all of the property described in Schedule "A" attached to this instrument and incorporated herein by reference to a Trustee to hold in trust.

PREAMBLE

The Settlor is an unmarried woman. The Settlor has two (2) children whose names are: KEVIN M. MCLIN, and JOHN L. BYRD. The settlor has no other children living or deceased.

It is the Settlor's desire, by this instrument, to create an inter vivos revocable trust in accordance with the laws of the State of California whereby the Trustee will hold in trust her property and manage it for her benefit during her life and provide for its distribution upon her death.

ARTICLE I

Property subject to this instrument is referred to as the "Trust Estate" and shall be held, administered and distributed in accordance with this instrument.

ARTICLE II

During the lifetime of the Settlor, the Trustee shall pay to the Settlor, or shall apply for the Settlor's benefit, the net income of the trust estate in quarter-annual or more frequent installments. If the Trustee considers the net income insufficient, the Trustee shall pay to the Settlor, or apply for the benefit of the Settlor, as much of the principal of the estate as its necessary in the Trustee's discretion for the Settlor's proper health, education, support, maintenance, comfort and welfare

No interest in the principal or income of any trust created under this instrument shall be anticipated, assigned, encumbered or subjected to creditor's claim or legal process before actual receipt by the beneficiary.

As used in this instrument, the masculine, feminine or neuter gender, and the singular or plural number shall each include the others whenever the context so indicates.

If any provision of this instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

The validity of the trusts and the construction of their beneficial provisions shall be governed by the laws of the State of California in force from time to time. This paragraph shall apply regardless of any change of residence of the Trustee, or either of them, or any beneficiary, or the appointment or substitution of a Trustee residing or doing business in another state.

ARTICLE VIII

ANNA C. BYRD is hereby appointed the Trustee under this Trust. In the event she shall cease or for any reason be unable to serve as Trustee, JOHN L. BYRD is hereby appointed as successor Trustee. In the event he shall cease or for any reason be unable to serve as Trustee, KEVIN M. MCLIN is hereby appointed as a successor Trustee.

No bond shall be required of any person named in this instrument as a Trustee for the faithful performance of his or her duties as Trustee.

No successor Trustee shall be liable for any act, omission or default of a predecessor Trustee or Trustees. Unless required in writing within sixty (60) days of appointment by an adult

beneficiary of a trust, no successor Trustee shall have any duty to investigate or review any action of a predecessor Trustee or Trustees, and the successor Trustee may accept the accounting records of the predecessor Trustee or Trustees showing assets on hand without further investigation and without incurring any liability to any person claiming or having interest in the trust.

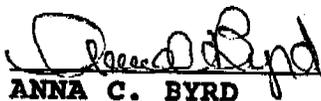
A Trustee shall be entitled to pay himself reasonable compensation from time to time without prior court order.

ARTICLE IV

The trust created in this instrument may be referred to as "THE ANNA C. BYRD TRUST".

Executed at Woodland, California on October 1, 1997.

SETTLOR:


ANNA C. BYRD

TRUSTEE:


ANNA C. BYRD

AMENDMENT AND RESTATEMENT OF DECLARATION OF TRUST

RAYMOND R. OSBORNE and JANE OSBORNE, hereinafter called the "Settlors", hereby amend and restate the Declaration of Trust dated May 19, 1989. The amendment and restate by this instrument shall serve to replace all provisions of said original Declaration of Trust.

Any property that has been heretofore conveyed to the trust shall continue to remain property of the trust and any property hereafter conveyed to the trust shall be governed by this amendment and restatement together with any future amendments .

ARTICLE I

(A) The Settlers or the "Trustees", depending on the context, and sometimes referred to as "Husband" and "Wife", declare that they have set aside and hold in trust the property described in Attachment A attached to this instrument, which is the community property of the Settlers, the property described in Attachment B, which is the separate property of Husband, and the property described in Attachment C, which is the separate property of Wife.

(B) It is the intention of the Settlers, by this instrument, to create an inter vivos revocable trust in accordance with the laws of the State of California whereby they will hold in trust their community property and their separate property and manage it for their benefit as hereinafter set forth during their respective lives and provide for their designated beneficiaries upon the death of the last survivor of Husband and Wife.

D. The powers of the Settlers to revoke or amend this instrument are personal to them and shall not be exercisable on their behalf by any guardian or conservator or other person, except that revocation or amendment may be authorized, to the extent permitted by this instrument, after notice to the Trustees, by the court that appointed the guardian or conservator.

ARTICLE VII

A. In order to carry out the provisions of the trusts created by this instrument, the Trustee shall have the following powers in addition to those now or hereafter conferred by law:

1. To invest and reinvest all or any part of the trust estate in such common or preferred stocks, shares of investment trusts and investment companies, bonds, debentures, mortgages, deeds of trust, mortgage participations, notes, real estate or other property as the Trustee in the Trustee's discretion may select; and the Trustee may continue to hold in the form in which received (or the form to which changed by reorganization, split-up, stock divided, or other like occurrence) any securities or other property the Trustee may at any time acquire under the trusts created by this instrument, it being the Settlers' express desire and intention that the Trustee shall have full power to invest and reinvest the trusts' funds without being restricted to forms of investment that the Trustee may otherwise be permitted to make by law; and the investments need not be diversified.

2. To continue to hold any property including any shares of any Trustee's own stock and to operate at the risk of the trust estate any; business that the Trustee receive or acquire under the trusts as long as the Trustee deem advisable.

3. To have all the rights, powers and privileges of an owner with respect to the securities held in trust, including, but not limited to, the powers to vote, consent, give proxies and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations, and incident to such participation or deposit securities with and transfer title to any protective or other committee on such terms as the Trustee may deem advisable; and to exercise or sell stock subscription or conversion rights.

4. To buy, sell and write stock and other security options (including, without limitation, put and call options), establish

and maintain margin accounts, and sell securities "short against the box."

5. To hold securities or other property in the Trustee's names as Trustee under the trusts created by this instrument, or in the Trustee's own name, or in the name of a nominee, or the Trustee may hold securities unregistered in such condition that ownership will pass.

6. To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve and repair trust property.

7. To lease trust property for terms within or beyond the term, of the trusts created by this instrument for any purpose, including exploration for and removal of gas oil and other minerals; and to enter into community oil leases, pooling and unitization agreements.

8. To lend money to any person, including the probate estate of either Settlor, provided that any such loan shall be adequately secured and shall bear a reasonable rate of interest.

9. To purchase property at its fair market value, as determined by the Trustee in the Trustee's discretion, from the probate estate of either Settlor.

10. To loan or advance the Trustee's own funds to the trusts created by this instrument for any trust purpose, with interest at current rates; to receive security for such loans in the form of a mortgage, pledge, deed of trust, or other encumbrance of any assets of such trusts; to purchase assets of the trusts at their fair market value as determined by an independent appraisal of those assets; and to sell property to the trusts at a price not in excess of its fair market value as determined by an independent appraisal.

11. To release or to restrict the scope of any power that the Trustee may hold in connection with the trusts created under this instrument, whether such power is expressly granted in the instrument or implied by law. The Trustee shall exercise this power in a written instrument executed by the Trustee, specifying the powers to be released or restricted and the nature of the restriction.

12. To purchase bonds and to pay such premiums in connection with the purchase as the Trustee in the Trustee's discretion deem advisable; provided, however, that each premium shall be repaid periodically to principal out of the interest on the bond in such reasonable manner as the Trustee shall determine and, to the extent necessary, out of the proceeds on the sale or other disposition of the bond.

13. To purchase bonds at such discount as the Trustee in the Trustee's discretion deem advisable; provided, however, that each discount shall be accumulated periodically as interest in such reasonable manner as the Trustee shall determine and to the extent necessary paid out of the proceeds on the sale or other disposition of the bond or out of principal.

14. To borrow money or guarantee the borrowing of others, and to encumber trust property by mortgage, deed of trust, pledge or otherwise in order to secure a loan or loans to or for the benefit of the trust for any trust purposes, or to secure a loan to either or both Settlers in their individual capacities for a purpose not connected with the trust.

15. To commence or defend, at the expense of the trust, such litigation with respect to the trusts or any property of the trust estate as the Trustee may deem advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the trust.

16. To carry insurance of such kinds and in such amounts as the Trustee deem advisable, at the expense of the trustee, to protect the trust estate and the Trustee personally against any hazard.

17. To employ attorneys, accountants, auditors, investment advisors, depositaries, proxies and agents, with or without discretionary powers; to act on advice of such advisors and agents and incur no liability for any action taken or refrained from pursuant to such advice.

18. To withhold from distribution, in the Trustee's discretion, at the time for distribution of any property in the trusts, without the payment of interest, all or any part of the property, as long as the Trustee shall determine in the Trustee's discretion that such property may be subject to conflicting claims, to tax deficiencies, or to liabilities, contingent or otherwise, properly incurred in the administration of the estate.

19. To purchase in the Trustee's discretion at less than par, obligations of the United States of America that are redeemable at par, in payment of any federal estate tax liability of either Settlor in such amounts as the Trustee deem advisable, and for that purpose the Trustee may partition a portion of the community property of the trust estate and make such purchases from either or both portions. The Trustee shall not be liable to either Settlor, any heir of either Settlor, or any beneficiary of the trusts for losses resulting from purchases made in good faith. The Trustee are directed to redeem any such obligations that are part of trust corpus to the fullest extent possible in payment of federal estate tax liability of either Settlor.

20. To partition, allot and distribute the trust estate, on any division or partial or final distribution of the trust estate, in undivided interests or in kind, or partly in money and partly in kind, at valuations determined by the Trustee, and to sell such property as the Trustee may deem necessary to make such division or distribution of the trust estate, the Trustee shall be under no obligation to make a pro rata division, or to distribute the same assets to beneficiaries similarly situated; but rather, the Trustee may, in the Trustee's discretion, make a non-pro rata division between trusts or shares and non-pro rata distributions to such beneficiaries, as long as the respective assets allocated to separate trusts or shares, or distributed to such beneficiaries, have equivalent or proportionate fair market value.

B. Except as otherwise specifically provided in this instrument, the Trustee's powers shall be subject to the Trustee's duty to treat income beneficiaries and remaindermen equitably, and the following requirements shall be observed by the Trustee:

1. A reasonable reserve for depreciation of all income producing depreciable real and personal property, and capital improvements and extraordinary repairs on income producing property, shall be charged to income from time to time.

2. A reasonable reserve for depletion of all depletable natural resources, including, but not limited to, oil, gas, and mineral and timber property, shall be charged to income from time to time.

3. Distributions by mutual funds and similar entities of gains from the sale or other disposition of property shall be credited to principal.

4. A reasonable reserve for amortization of all intangible property having a limited economic life including, but not limited to, patents and copyrights shall be charged to income from time to time.

5. All premiums paid and all discounts received in connection with the purchase of any bond or other obligation shall be amortized by making an appropriate charge or credit to income as the case may be.

C. So long as the original Trustees are serving as Trustees hereunder, they shall have the power to bind the trust in any and all transactions, including, but not limited to (1) collecting

receipts; (2) paying disbursements; (3) securing assets; (4) writing checks and making withdrawals from bank accounts; (5) purchasing, selling and pledging securities and other property; and (6) exercising any power conferred on the Trustee pursuant to the terms of this Declaration of Trust, and the action of the original Trustee may be relied upon by third parties dealing with the Trustee.

ARTICLE VIII

A. Except as otherwise specifically provided in this instrument, the determination of all matters with respect to what is principal and income of the trust estate and the apportionment and allocation of receipts and expenses between these accounts shall be governed by the provisions of the California Revised Uniform Principal and Income Act from time to time existing. Any such matter not provided for either in this instrument or in the California Revised Uniform Principal and Income Act shall be determined by the Trustee in the Trustee's discretion.

B. Income accrued or unpaid on trust property when received into the trusts shall be treated as any other income. Income accrued or held undistributed by the Trustee at the termination of any trust created herein shall go to the next beneficiaries of the trust in proportion to their interest in it.

C. Among successive beneficiaries of the trust, all taxes and other current expenses shall be prorated over the period to which they relate on a daily basis.

D. There need be no physical segregation or division of the

JOHN E. LAURICELLA
Attorney at Law
902 Court Street, P.O. Box 1215
Woodland, California, 95776

Telephone: (530)662-7396

CERTIFICATION

I, JOHN E. LAURICELLA state and certify:

1. I am an attorney licensed to practice law in the State of California.

2. I have prepared the AMENDMENT AND RESTATEMENT OF DECLARATION OF TRUST of RAYMOND R. OSBORNE and JANE OSBORNE established by Declaration of Trust dated June 29, 1999.

3. Said documents are still in full force and effect and have not been amended further.

4. RAYMOND R. OSBORNE and JANE OSBORNE are current and acting Trustee's of said Trust.

I certify that the foregoing statements to be true and correct.

Executed on this 4th day of February, 2000 at Woodland, California.



JOHN E. LAURICELLA
Attorney

Exhibit A

ANNA C. BYRD, JANE OSBORNE,
 ANNA C. BYRD, TRUSTEE of the ANNA C. BYRD TRUST,
 and JANE OSBORNE, TRUSTEE of the JANE OSBORNE REVOCABLE TRUST
 Sacramento River

SCHEDULE OF MONTHLY DIVERSIONS OF WATER

	<u>AREA 1</u>		
	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Contract Total</u> (acre-feet)
April	80	0	80
May	180	0	180
June	170	0	170
July	100	75	175
August	80	100	180
September	30	25	55
October	<u>10</u>	<u>0</u>	<u>10</u>
Total	<u>650</u>	<u>200</u>	<u>850</u>

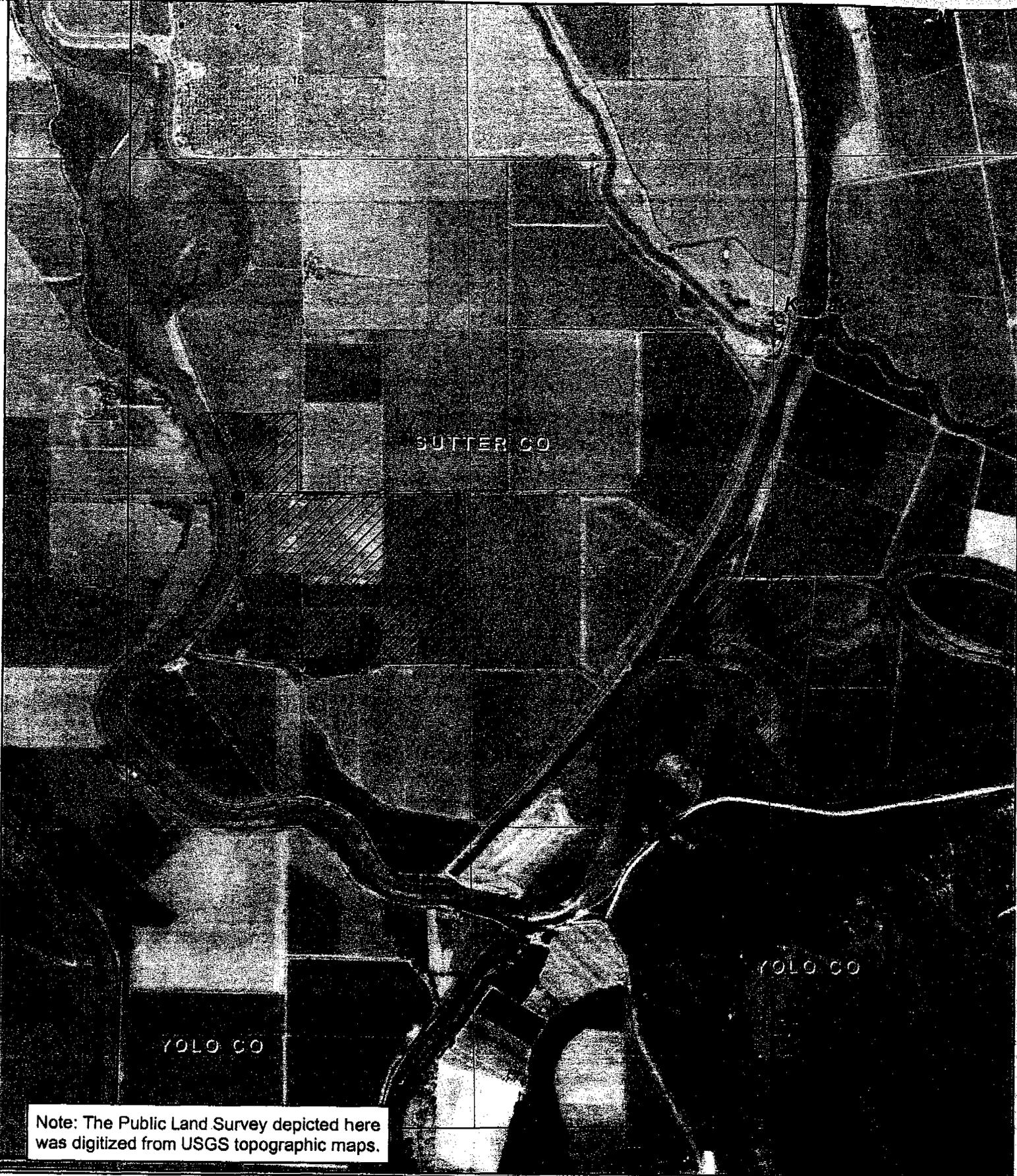
Point of Diversion: 30.5L

Dated: 01-31-2005

	<u>AREA 2</u>		
	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Total Supply</u> (acre-feet)
April	35	0	35
May	80	0	80
June	80	0	80
July	85	0	85
August	95	0	95
September	35	0	35
October	<u>5</u>	<u>0</u>	<u>5</u>
Total	<u>415</u>	<u>0</u>	<u>415</u>

Point of Diversion: 26.8L

Dated: 01-31-2005



Note: The Public Land Survey depicted here was digitized from USGS topographic maps.

Byrd, Anna C. and Osborne, Jane
Contract No. 14-06-200-1585A-R-1
Exhibit B

-  Contractor's Service Area
-  Point of Diversion



Exhibit C

ANNA C. BYRD, JANE OSBORNE,
ANNA C. BYRD, TRUSTEE of the ANNA C. BYRD TRUST,
and JANE OSBORNE, TRUSTEE of the JANE OSBORNE REVOCABLE TRUST

Sacramento River

UNIT DUTY

(In Acre-Feet Per Acre)

	<u>Rice</u>	<u>Alfalfa and Irrigated Pasture</u>	<u>General Crops</u>
June	1.90	0.80	0.60 -
July	2.10	1.00	0.70
August	2.00	0.80	0.70
September	0.50	0.60	0.40

Dated: 01-31-2005

Exhibit D

ANNA C. BYRD, JANE OSBORNE,
 ANNA C. BYRD, TRUSTEE of the ANNA C. BYRD TRUST,
 and JANE OSBORNE, TRUSTEE of the JANE OSBORNE REVOCABLE TRUST
 Sacramento River
2005 Water Rates and Charges per Acre-Foot

<u>COST OF SERVICE RATES:</u>	<u>Irrigation</u>
Capital Rates	
Storage	\$ 4.77
O&M Rates:	
Water Marketing	\$ 6.61
Storage	\$ 5.93
Deficit Rates:	
Interest Bearing	\$ 0.03
CFO/PFR Adjustment Rate 1/	<u>\$ 0.00</u>
TOTAL	<u>\$17.34</u>
<u>RESCHEDULING FEE:</u>	<u>\$5.69</u>
<u>FULL-COST RATES:</u>	
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	<u>\$21.99</u>
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	<u>\$24.55</u>
<u>CHARGES UNDER P.L. 102-575 TO THE RESTORATION FUND 2/</u>	
Restoration Payments (3407(d)(2)(A))	<u>\$ 7.93</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).