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

9 INTERIM RENEWAL CONTRACT AMONG THE UNITED STATES,
10 THE DEPARTMENT OF WATER RESOURCES
11 OF THE STATE OF CALIFORNIA,
12 AND
13 LOWER TULE RIVER IRRIGATION DISTRICT
14 PROVIDING FOR PROJECT WATER SERVICE

15 THIS CONTRACT, made this 20th day of May, 2005, in
16 pursuance generally of 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), as
18 amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2,
19 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), as amended and
20 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively referred to as Federal
21 Reclamation law, among THE UNITED STATES OF AMERICA, hereinafter referred to as the
22 United States, THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF
23 CALIFORNIA, hereinafter referred to as DWR, and LOWER TULE RIVER IRRIGATION
24 DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California, duly
25 organized, existing, and acting pursuant to the laws thereof, with its principal place of business in
26 Tipton, California;

27 WITNESSETH, That:

28 EXPLANATORY RECITALS

29 WHEREAS, the United States, DWR, and the Contractor entered into an interim
30 renewal contract identified as Contract No. 14-06-200-8237A-IR5, hereinafter referred to as the
31 Interim Renewal Contract, which provided for the continued water service to the Contractor
32 following expiration of Contract No. 14-06-200-8237A; and

33 WHEREAS, the United States, DWR, and the Contractor have entered into successive
34 renewals of the Interim Renewal Contract, the most recent of which is Contract No. 14-06-200-
35 8237A-IR8, hereinafter referred to as the Existing Interim Renewal Contract from March 1, 2004,
36 through February 28, 2005; and

37 WHEREAS, the United States, DWR, and the Contractor have made significant
38 progress in their negotiations of a long-term renewal contract, believe that further negotiations on the
39 long-term renewal contract would be beneficial, and mutually commit to continue to negotiate to seek
40 to reach agreement, and the Contractor has requested a subsequent interim renewal contract pursuant
41 to Subdivision (b)(1) of Article 2 of the Interim Renewal Contract and Article 1 of the Existing
42 Interim Renewal Contract; and

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

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

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

49 INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

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

53 (a) The first sentence in Subdivision (a) of Article 1 of the Existing Interim
54 Renewal Contract is modified as follows: "This interim renewal contract shall be effective from
55 March 1, 2005, and shall remain in effect through February 28, 2006, and thereafter will be renewed
56 as described in Subdivision (a) of Article 2 of the Interim Renewal Contract."

57 (b) Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is
58 amended by deleting the date "February 15, 2005," and replacing same with the date
59 "February 15, 2006."

60 (c) Subdivision (c) of Article 1 of the Existing Interim Renewal Contract is
61 amended by deleting the dates "February 1, 2005," "February 15, 2005," and "February 28, 2005,"
62 and replacing same with the dates "February 1, 2006," "February 15, 2006," and "February 28,
63 2006," respectively.

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

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

THE UNITED STATES OF AMERICA

By: *Kubal*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

70 Approved as to Legal Form and
71 Sufficiency:
72 *W. M. W.*
73 Chief Counsel
74 Department of Water Resources

THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF CALIFORNIA
By: *W. M. W.*
Director
Department of Water Resources

75 (SEAL)

LOWER TULE RIVER IRRIGATION DISTRICT

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By: *Ben S. S.*
President of the Board of Directors

78 Attest:
79 *[Signature]*
80 Secretary

81 (H:\pub 440\Interim Renewal Contracts - Drafts, charts, etc.\CVC-Lower Tule 2005-2006 IRC.doc)

EXHIBIT A
LOWER TULE RIVER IRRIGATION DISTRICT
Water Rates and Charges

CONTRACT NO. 14-06-200-8237A-IR9

	<u>2005 Rates Per Acre-Foot</u>		<u>Water Delivered in the Delta</u>	
	<u>Banks Irrigation Water</u>	<u>Joint Point Pumping M&I Water</u>	<u>Irrigation Water</u>	<u>M&I Water</u>
O&M AND COST-OF-SERVICE RATES:				
Capital Rates:	\$5.41	**	\$3.99	**
O&M Rates:				
Water Marketing	\$6.61		\$6.61	
Storage	\$5.93		\$5.93	
Direct Pumping (Project Use Energy)	\$3.33		\$0.00	
Deficit Rates:				
Non-Interest Bearing				
Interest Bearing	\$0.00		\$0.00	
TOTAL COST-OF-SERVICE RATES:	\$21.28		\$16.53	
FULL-COST RATES:				
Section 202(3) Rate is applicable to a Qualified recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	\$29.59		\$22.56	
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	\$32.25		\$24.48	
SURCHARGES UNDER P.L 102-575 TO RESTORATION FUND*				
Restoration Payments [3407(d)(2)(A)]	\$7.93		\$7.93	

* The surcharges are payments in addition to the water rates and were determined pursuant to Title XXXIV of Public Law 102-575. Restoration fund surcharges under P.L. 102-575 are on a fiscal year basis (10/1/04-9/30/05).

** M&I Rates will be calculated if needed.

Cross Valley Canal contract water can be pumped and delivered through the State and/or Federal side of facilities. For the 2005 long-term contractor water rate calculations, these contractors will not be allocated Conveyance and Conveyance Pumping costs. Direct pumping costs will be limited to Project Use Energy only for Dos Amigos and State Delta (Banks) Pumping Plants. If water is delivered from Millerton Lake via the Friant Kern Canal a "Special Rate" will be applied for this circumstance.

BEFORE THE BOARD OF DIRECTORS
OF THE
LOWER TULE RIVER IRRIGATION DISTRICT
COUNTY OF TULARE, STATE OF CALIFORNIA

RESOLUTION TO APPROVE THE FORM)
OF INTERIM RENEWAL CONTRACT NO.)
14-06-200-8237A-IR9 (3/1/2005-2/28/2006))

RESOLUTION NO. 2004-12-2

WHEREAS, the Lower Tule River Irrigation District (the "District"), the State of California, and the United States entered into Contract No. 14-06-200-8237 which provides for water delivery from the Central Valley Project through the Cross Valley Canal from September 12, 1975 through December 31, 1995; and

WHEREAS, the United States, the State of California and the District agreed to extend the term of such Original Contract through and including February 29, 1996 by executing amendatory contract 14-06-200-8237A; and

WHEREAS, The Original Contract was renewed from March 1, 1996 through February 28, 2005 pursuant to a series of short-term interim renewal contracts designated 14-06-200-8237 IR-1, IR-2, IR-3, IR-4, IR-5, IR-6, IR-7, IR-8, as required by the Central Valley Project Improvement Act; and

WHEREAS, it is in the best interest of the District, the State and the United States to enter into a ninth interim renewal contract which provides for continued water service subject to certain terms and limitations; and

WHEREAS, the United States Bureau of Reclamation has provided a ninth interim renewal contract providing for continued water service from March 1, 2005 through February 28, 2006 subject to certain terms and conditions.

NOW, THEREFORE, the Board of Directors of the Lower Tule River Irrigation District hereby resolve:

1. That the form of the ninth interim renewal contract (#14-06-200-8237A-IR9) provided to the District by the United States Bureau of Reclamation is approved subject to review and approval as to its final form following completion of the required public review and comment period; and

2. That the President of the Board and the Secretary to the Board are duly authorized to execute the Contract; and

3. That the General Manager of the District is directed to notify the Fresno area office of the United States Bureau of Reclamation of the adoption of this Resolution.

This Resolution shall take affect immediately upon its adoption, passed and adopted by the Board of Directors of the Lower Tule River Irrigation District on December 14, 2004, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ATTEST:



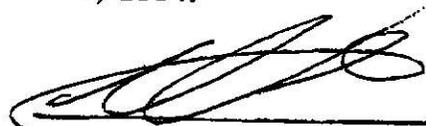
 Secretary

CERTIFICATION

I, Daniel G. Vink, the duly qualified Secretary of the Lower Tule River Irrigation District, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted at a Regular Meeting of the Board of Directors duly held on the 14th day of December, 2004, of which meeting all members of said Board of Directors had due notice.

I hereby further certify that the same resolution has not been modified or amended in any way, and that the same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Lower Tule River Irrigation District this 14th day of December, 2004.



BEFORE THE BOARD OF DIRECTORS
OF THE
LOWER TULE RIVER IRRIGATION DISTRICT
COUNTY OF TULARE, STATE OF CALIFORNIA

RESOLUTION TO APPROVE THE FORM
OF INTERIM RENEWAL CONTRACT NO.
14-06-200-8237A-IR9 (3/1/2005-2/28/2006)

RESOLUTION NO. 2004-12-2

WHEREAS, the Lower Tule River Irrigation District (the "District"), the State of California, and the United States entered into Contract No. 14-06-200-8237 which provides for water delivery from the Central Valley Project through the Cross Valley Canal from September 12, 1975 through December 31, 1995; and

WHEREAS, the United States, the State of California and the District agreed to extend the term of such Original Contract through and including February 29, 1996 by executing amendatory contract 14-06-200-8237A; and

WHEREAS, The Original Contract was renewed from March 1, 1996 through February 28, 2005 pursuant to a series of short-term interim renewal contracts designated 14-06-200-8237 IR-1, IR-2, IR-3, IR-4, IR-5, IR-6, IR-7, IR-8, as required by the Central Valley Project Improvement Act; and

WHEREAS, it is in the best interest of the District, the State and the United States to enter into a ninth interim renewal contract which provides for continued water service subject to certain terms and limitations; and

WHEREAS, the United States Bureau of Reclamation has provided a ninth interim renewal contract providing for continued water service from March 1, 2005 through February 28, 2006 subject to certain terms and conditions.

NOW, THEREFORE, the Board of Directors of the Lower Tule River Irrigation District hereby resolve:

1. That the form of the ninth interim renewal contract (#14-06-200-8237A-IR9) provided to the District by the United States Bureau of Reclamation is approved subject to review and approval as to its final form following completion of the required public review and comment period; and

2. That the General Manager of the District is directed to notify the Fresno area office of the United States Bureau of Reclamation of the adoption of this Resolution.

This Resolution shall take affect immediately upon its adoption, passed and adopted by the Board of Directors of the Lower Tule River Irrigation District on December 14, 2004, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

Ben Serapi
President

ATTEST:

[Signature]
Secretary

CERTIFICATION

I, Daniel G. Vink, the duly qualified Secretary of the Lower Tule River Irrigation District, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted at a Regular Meeting of the Board of Directors duly held on the 14th day of December, 2004, of which meeting all members of said Board of Directors had due notice.

I hereby further certify that the same resolution has not been modified or amended in any way, and that the same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Lower Tule River Irrigation District this 14th day of December, 2004.

[Signature]

BEFORE THE BOARD OF DIRECTORS
OF THE
LOWER TULE RIVER IRRIGATION DISTRICT
COUNTY OF TULARE, STATE OF CALIFORNIA

RE: STATUTORY AND CATEGORICAL)
EXEMPTION FROM CALIFORNIA)
ENVIRONMENTAL QUALITY ACT FOR) RESOLUTION NO. 2004-12-1
INTERIM CONTRACT RENEWAL)
#14-06-200-8237A-IR9 (3/1/2005-2/28/2006))

WHEREAS, the Lower Tule River Irrigation District was formed on January 9, 1950 pursuant to Division 11 of the California Water Code; and

WHEREAS, the District entered into Contract No. 14-06-200-8237A, as amended, with the United States and the State of California providing for water service from the Central Valley Project from September 12, 1975, until February 29, 1996 (the "Original Contract"); and

WHEREAS, the Original Contract provided for delivery of 31,102 acre feet of water diverted from the Sacramento-San Joaquin Delta through the California Aqueduct to the Cross Valley Canal for exchange or direct delivery to the District's distribution system; and

WHEREAS, in compliance with the Central Valley Project Improvement Act to allow time for environmental compliance and to allow for negotiation of long-term renewal contracts, the parties entered into a series of interim renewal contracts from March 1, 1996 through February 28, 2005 designated 14-06-200-8237 IR-1, IR-2, IR-3, IR-4, IR-5, IR-6, IR-7, and IR-8; and

WHEREAS, with the exception of pricing, which was mandated by federal law, each of the above-referenced interim renewal contracts has continued the District's water service in substantially the same manner as the Original Contract. The District determined the renewal contracts were exempt under Title 14 of the California Code of Regulation section 15273(a) and Section 15301 of the CEQA Guidelines (Public Resources Code section 21083); and

WHEREAS, no challenges under CEQA to the interim contracts were made and all applicable statutes of limitation have passed; and

WHEREAS, the District has fully utilized, for reasonable and beneficial use, all water provided under the interim contracts by receiving and delivering such water to lands within the District's boundaries for irrigation purposes; and

WHEREAS, the District believes it is imperative that, for the benefit of the District, the water supply originally made available under the Original Contract and continued by the interim contracts be continued; and

WHEREAS, the long-term contract renewal negotiations are incomplete and the Bureau of Reclamation again offered to renew the Original Contract, as renewed by the prior interim renewal contracts, for a one year term (3/1/05-2/28/06) (the "IR-9 contract"). The IR-9 contract will continue the same water service as provided under the Original Contract and each previous interim renewal contract. The terms of the IR-9 Contract are essentially

unchanged from the prior interim contracts; and

WHEREAS, CEQA requires the District, as a public agency, to conduct a preliminary environmental assessment regarding the potential environmental effects of "projects." Generally, the IR-9 contract would be considered a "project" for purposes of CEQA. However, CEQA contains exemptions, both within the law itself and in the form of CEQA Guidelines, for certain types of projects; and

WHEREAS, the District may base a decision to file a Notice of Exemption on CEQA Guidelines (14 CCR Section 15000, et seq.); and

WHEREAS, California Code of Regulations section 15273(a) provides a statutory exemption since significant modifications to the project which might have a new significant effect on the environment have not been proposed, and the District's distribution system will continue to be operated within the range of operations contemplated under the Original Contract; and

WHEREAS, Section 15301 of the CEQA Guidelines provides a categorical exemption from CEQA for the operation, repair, maintenance or minor alteration of existing public structures or facilities involving negligible or no expansion of use beyond that previously existing; and

WHEREAS, The District's execution of the IR-9 Contract would allow the District to continue providing the same water service through the same facilities as the Original Contract and the serious of subsequent interim contracts, and no expansion of the current facilities would occur; and

WHEREAS, Section 15300.2 of the CEQA Guidelines provides that a categorical exemption shall not be used for a project when there is a reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances; and

WHEREAS, no unusual circumstances exist for the District and approval of the IR-9 Contract is exempt under Section 15301 of the CEQA Guidelines; and

WHEREAS, Section 15221 of the CEQA Guidelines provides that where a project will require compliance with NEPA (the federal equivalent of CEQA) as well as CEQA, a local agency should use the Environmental Impact Statement (EIS) or Finding of No Significant Impact (FONSI) prepared under NEPA rather than preparing its own environmental report; and

WHEREAS, the Bureau of Reclamation, in connection with its responsibilities under NEPA, has prepared the environmental documents necessary to provide the IR-9 Contract to the District; and

WHEREAS, the parties propose to renew the Original Contract in the form of an IR-9 Contract as noted above in order to provide for the continued delivery of the same quantity of water to lands within the District's boundaries; and

WHEREAS, water service under the proposed renewal will be diverted from the Sacramento-San Joaquin Delta through the California Aqueduct for exchange or direct delivery for use within the District boundaries as water provided for in the Original Contract; and

WHEREAS, the District will distribute water received pursuant to terms of the renewal through the same distribution system to the same lands within the District's boundaries as water provided for in the Original Contract; and

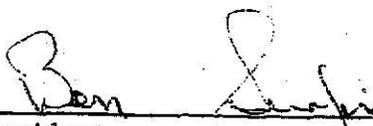
WHEREAS, the District has copies of contracts, water delivery reports, crop information and other data supporting these factual findings.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Lower Tule River Irrigation District has determined:

1. That renewal of the Original Contract with the United States will not create any effects specified in Title 14 of the California Code of Regulations, Section 15300.2;
2. That renewal of the Original Contract is statutorily exempt pursuant to Title 14 of the California Code of Regulations, section 15273(a) and categorically exempt from CEQA pursuant to Section 15301 of the CEQA Guidelines (Public Resources Code Section 21083), because it merely provides for continued operation of an existing facility;
3. That the manager of the District shall forthwith prepare and file a Notice of Exemption with the Clerk of Tulare County as provided for in Title 14 of the California Code of Regulations, Section 15062(b).

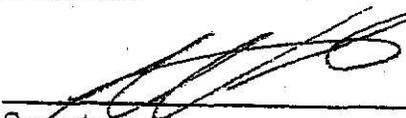
This Resolution shall take affect immediately upon its being passed and adopted by the Board of Directors of the Lower Tule River Irrigation District on December 14, 2004, by the following vote:

AYES: 5
NOES: 0
ABSENT: 0



President

ATTEST:



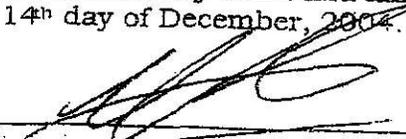
Secretary

CERTIFICATION

I, Daniel G. Vink, the duly qualified Secretary of the Lower Tule River Irrigation District, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted at a Regular Meeting of the Board of Directors duly held on the 14th day of December, 2004, of which meeting all members of said Board of Directors had due notice.

I hereby further certify that the same resolution has not been modified or amended in any way, and that the same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Lower Tule River Irrigation District this 14th day of December, 2004.



BEFORE THE BOARD OF DIRECTORS
OF THE
LOWER TULE RIVER IRRIGATION DISTRICT
COUNTY OF TULARE, STATE OF CALIFORNIA

RESOLUTION TO APPROVE THE FORM) OF INTERIM RENEWAL CONTRACT NO.) 14-06-200-8237A-IR9 (3/1/2005-2/28/2006))	RESOLUTION NO. 2004-12-2
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WHEREAS, the Lower Tule River Irrigation District (the "District"), the State of California, and the United States entered into Contract No. 14-06-200-8237 which provides for water delivery from the Central Valley Project through the Cross Valley Canal from September 12, 1975 through December 31, 1995; and

WHEREAS, the United States, the State of California and the District agreed to extend the term of such Original Contract through and including February 29, 1996 by executing amendatory contract 14-06-200-8237A; and

WHEREAS, The Original Contract was renewed from March 1, 1996 through February 28, 2005 pursuant to a series of short-term interim renewal contracts designated 14-06-200-8237 IR-1, IR-2, IR-3, IR-4, IR-5, IR-6, IR-7, IR-8, as required by the Central Valley Project Improvement Act; and

WHEREAS, it is in the best interest of the District, the State and the United States to enter into a ninth interim renewal contract which provides for continued water service subject to certain terms and limitations; and

WHEREAS, the United States Bureau of Reclamation has provided a ninth interim renewal contract providing for continued water service from March 1, 2005 through February 28, 2006 subject to certain terms and conditions.

NOW, THEREFORE, the Board of Directors of the Lower Tule River Irrigation District hereby resolve:

1. That the form of the ninth interim renewal contract (#14-06-200-8237A-IR9) provided to the District by the United States Bureau of Reclamation is approved subject to review and approval as to its final form following completion of the required public review and comment period; and

2. That the President of the Board and the Secretary to the Board are duly authorized to execute the Contract; and

3. That the General Manager of the District is directed to notify the Fresno area office of the United States Bureau of Reclamation of the adoption of this Resolution.

This Resolution shall take affect immediately upon its adoption, passed and adopted by the Board of Directors of the Lower Tule River Irrigation District on December 14, 2004, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ATTEST:


Secretary

CERTIFICATION

I, Daniel G. Vink, the duly qualified Secretary of the Lower Tule River Irrigation District, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted at a Regular Meeting of the Board of Directors duly held on the 14th day of December, 2004, of which meeting all members of said Board of Directors had due notice.

I hereby further certify that the same resolution has not been modified or amended in any way, and that the same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Lower Tule River Irrigation District this 14th day of December, 2004.

