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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 TRI-VALLEY WATER DISTRICT  
14 PROVIDING FOR PROJECT WATER SERVICE

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

27 WITNESSETH, That:

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EXPLANATORY RECITALS

WHEREAS, the United States, DWR, and the Contractor entered into an interim renewal contract identified as Contract No. 14-06-200-8565A-IR5, hereinafter referred to as the Interim Renewal Contract, which provided for the continued water service to the Contractor following expiration of Contract No. 14-06-200-8565A; and

WHEREAS, the United States, DWR, and the Contractor have entered into successive renewals of the Interim Renewal Contract, the most recent of which is Contract No. 14-06-200-8565A-IR8, hereinafter referred to as the Existing Interim Renewal Contract from March 1, 2004, through February 28, 2005; and

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

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

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

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

INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

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

53           (a)     The first sentence in Subdivision (a) of Article 1 of the Existing Interim  
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  
56     renewed 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,  
62     2005," and replacing same with the dates "February 1, 2006," "February 15, 2006," and  
63     "February 28, 2006," respectively.

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

66 APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY  
*James E. Timmer*  
67 OFFICE OF REGIONAL SOLICITOR  
68 DEPARTMENT OF THE INTERIOR  
69

THE UNITED STATES OF AMERICA

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

70 Approved as to Legal Form and  
71 Sufficiency:  
*[Signature]*  
72 Chief Counsel  
73 Department of Water Resources  
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THE DEPARTMENT OF WATER RESOURCES  
OF THE STATE OF CALIFORNIA  
By: *[Signature]*  
Director  
Department of Water Resources

75 (SEAL)

TRI-VALLEY WATER DISTRICT

76 By: *[Signature]*  
77 President of the Board of Directors

78 Attest:  
*Richard J. Cosgrove*  
79 Secretary  
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81 (H:\pub 440\Interim Renewal Contracts - Drafts, charts, etc.\CVC-Tri-Valley 2005-2006  
82 IRC.doc)

**BEFORE THE BOARD OF DIRECTORS  
OF THE  
TRI-VALLEY WATER DISTRICT  
COUNTY OF FRESNO, STATE OF CALIFORNIA**

RESOLUTION APPROVING THE CONTRACT )  
BETWEEN THE UNITED STATES AND THE )  
TRI-VALLEY WATER DISTRICT PROVIDING )  
FOR WATER SERVICE )

RESOLUTION No. 2004-5

WHEREAS, the Tri-Valley Water District and the United States entered into Contract No. 14-02-200-8565A, as amended, providing for water service from the Central Valley Project from November 5, 1976, until February 29, 1996, (the "Original Contract"), and

WHEREAS, such Contract was amended by the United States and the District on November 17, 1980, to include language providing for the renewal of such Contract pursuant to provisions of the Act of July 2, 1956, and

WHEREAS, the District and the United States subsequently renewed the Original Contract for two (2) two (2) year periods under the terms of interim renewal contracts which initially became effective March 1, 1996, and which expired February 29, 2000, and

WHEREAS, the District and the United States subsequently entered into six(6) additional interim renewal contracts which initially became effective March 1, 2000, and the last of which expires on February 28, 2005, and

WHEREAS, the United States is willing to renew the existing Interim Renewal Contract from March 1, 2005, through February 28, 2006,

NOW, THEREFORE, BE IT RESOLVED;

The Board of Directors of Tri-Valley Water District understands that the form and content of the proposed Interim Renewal Contract between the United States and the Tri-Valley Water District will be the same as the existing Interim Renewal Contract No. 14-06-200-8567A-IR8. This is acceptable to the District and the President is authorized to execute and deliver to the United States an agreement which contains the same provisions as the current Interim Renewal Contract. The Secretary shall attest to the execution of the agreement.

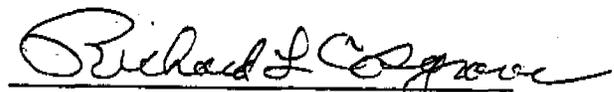
This resolution shall take effect immediately upon its adoption. Passed and adopted by the Board of Directors of the Tri-Valley Water District on the 16th day of December, 2004, by the following vote:

AYES: Directors Carlson, Colbert, Lassotovitch, Jackson  
NOES: None  
ABSENT: Director Lange

  
\_\_\_\_\_  
President

#### CERTIFICATE OF SECRETARY

I, Richard L. Cosgrave, Secretary of the Board of Directors of the Tri-Valley Water District, do hereby certify that the above is a true and correct copy of a Resolution made, passed and adopted by the Board of Directors of the Tri-Valley Water District, at a regular meeting of said Board duly called and held on the 16<sup>th</sup> day of December 2004.

  
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Secretary

**EXHIBIT A**  
**TRI-VALLEY WATER DISTRICT**  
Water Rates and Charges

CONTRACT NO. 14-06-200-8565A-IR9

**2005 Rates Per Acre-Foot**

	<u>Banks Joint Point Pumping</u>		<u>Water Delivered in the Delta</u>	
	<u>Irrigation Water</u>	<u>M&amp;I Water</u>	<u>Irrigation Water</u>	<u>M&amp;I Water</u>
<b>O&amp;M AND COST-OF-SERVICE RATES:</b>				
Capital Rates:	\$5.36	**	\$3.95	**
<b>O&amp;M Rates:</b>				
Water Marketing	\$6.61		\$6.61	
Storage	\$5.93		\$5.93	
Direct Pumping (Project Use Energy)	\$3.33		\$0.00	
<b>Deficit Rates:</b>				
Non-Interest Bearing				
Interest Bearing	\$0.26		\$0.26	
<b>TOTAL COST-OF-SERVICE RATES:</b>	<b>\$21.49</b>		<b>\$16.75</b>	
<b>FULL-COST RATES:</b>				
Section 202(3) Rate is applicable to a Qualified recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	\$27.41		\$21.09	
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	\$28.97		\$22.22	
<b>SURCHARGES UNDER P.L 102-575 TO RESTORATION FUND*</b>				
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.