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

8 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
9 AND  
10 THE CITY OF TRACY  
11 PROVIDING FOR PROJECT WATER SERVICE

12 THIS CONTRACT, made this 31<sup>st</sup> day of may, 2006, in

13 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
14 supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as  
15 amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July  
16 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), as amended  
17 and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter  
18 referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA,  
19 hereinafter referred to as the United States, and THE CITY OF TRACY, hereinafter referred to as  
20 the Contractor, a public agency of the State of California, duly organized, existing, and acting  
21 pursuant to the laws thereof;

22 WITNESSETH, That:

23 EXPLANATORY RECITALS

24 WHEREAS, the United States and the West Side Irrigation District (District)  
25 entered into an interim renewal contract identified as Contract No. 7-07-20-W0045-IR5,  
26 hereinafter referred to as the Interim Renewal Contract, which provided for the continued water  
27 service to the District following expiration of Contract No. 7-07-20-W0045; and

28 WHEREAS, the United States and the District have entered into successive  
29 renewals of the Interim Renewal Contract, the most recent of which is

30 Contract No. 7-07-20-W0045-IR8, hereinafter referred to as the Existing Interim Renewal  
31 Contract from March 1, 2004, through February 28, 2006; and

32 WHEREAS, on February 27, 2004, the Contractor and the District entered into an  
33 assignment that assigned 2,500 acre-feet of project water to the Contractor with an exclusive option  
34 to acquire the contract right to an additional 2,500 acre-feet of project water.

35 WHEREAS, the United States and the Contractor have made significant progress in  
36 their negotiations of a long-term renewal contract, believe that further negotiations on the long-term  
37 renewal contract would be beneficial, and mutually commit to continue to negotiate to seek to reach  
38 agreement, but anticipate that the environmental documentation necessary for execution of any long-  
39 term renewal contract will be delayed until the summer of 2006 and may be delayed further for  
40 reasons beyond the control of the parties; and,

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

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

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

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

50 INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

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

54                   (a)     The first sentence in Subdivision (a) of Article 1 of the Existing Interim  
55     Renewal Contract is modified as follows: "This interim renewal contract shall be effective from  
56     March 1, 2006, and shall remain in effect through February 28, 2007, and thereafter will be  
57     renewed as described in Subdivision (a) of Article 2 of the Interim Renewal Contract if a  
58     long-term renewal contract has not been executed with an effective commencement date of March 1,  
59     2007."

60                   (b)     Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is  
61     amended by deleting the date "February 15, 2006," and replacing same with the date  
62     "February 15, 2007."

63                   (c)     Subdivision (c) of Article 1 of the Existing Interim Renewal Contract is  
64     amended by deleting the dates "February 1, 2006," "February 15, 2006," and "February 28, 2006,"  
65     and replacing same with the dates "February 1, 2007," "February 15, 2007," and "February 28,  
66     2007," respectively.

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

69 THE UNITED STATES OF AMERICA

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

By: *John F. Davis*  
Regional Director, Mid-Pacific Region  
Bureau of Reclamation

73 (SEAL) THE CITY OF TRACY

74 By: *Daniel M. [Signature]* 4/26/06  
75 City Manager

76 Attest:

77 \_\_\_\_\_  
78 Secretary

RESOLUTION 2006-089

AUTHORIZING THE INTERIM RENEWAL CONTRACTS BETWEEN THE  
UNITED STATES BUREAU OF RECLAMATION AND THE CITY FOR  
PROVIDING CENTRAL VALLEY PROJECT WATER SERVICE AND  
AUTHORIZING THE CITY MANAGER TO EXECUTE  
THE CONTRACTS (WSID AND BCID)

WHEREAS, In 2004, the Bureau of Reclamation authorized contract assignments between the City and Banta Carbona Irrigation District (BCID), and the City and the West Side Irrigation District (WSID), and

WHEREAS, These contract assignments provide for delivery of 7,500 acre-feet of water per year (5,000 acre-feet from the BCID contract and 2,500 acre-feet from the WSID contract) from the Delta-Mendota Canal water, and

WHEREAS, In 2004, both BCID and WSID had interim renewal contracts with the Bureau and have subsequently renewed these contracts into long-term renewal contracts, and

WHEREAS, The City utilized the BCID and WSID interim contracts to receive water service through February 28, 2006, and

WHEREAS, The City's existing long-term contract with the Bureau for 10,000 acre-feet of water per year is scheduled to expire in 2013, and in order to avoid paying additional water charges, the City entered into a Binding Agreement for Early Renewal with the Bureau in 1997, and

WHEREAS, The Bureau has provided interim renewal contracts for execution by the City, which have a term effective March 1, 2006 through February 28, 2007;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby authorizes Interim Renewal Contract Nos. 14-06-200-4305A-IR9-B and Interim Renewal Contract Nos. 7-07-20-W0045-IR9-B between the United States and City of Tracy providing for Project Water Service – Central Valley Project, California and authorizes the City Manager to execute the contracts (WSID and BCID).

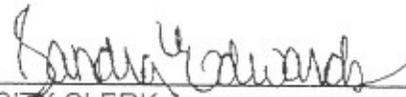
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The foregoing Resolution 2006-089 was passed and adopted by the Tracy City Council on the 4th day of April, 2006, by the following vote:

|          |                  |  |
|----------|------------------|--|
| AYES:    | COUNCIL MEMBERS: | IVES, SUNDBERG, TOLBERT, TUCKER, BILBREY |
| NOES:    | COUNCIL MEMBERS: | NONE                                     |
| ABSENT:  | COUNCIL MEMBERS: | NONE                                     |
| ABSTAIN: | COUNCIL MEMBERS: | NONE                                     |

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY CLERK

02-032106ki/PW