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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 DEPARTMENT OF WATER RESOURCES  
11 OF THE STATE OF CALIFORNIA,  
12 AND  
13 KERN-TULARE WATER DISTRICT  
14 PROVIDING FOR PROJECT WATER SERVICE

15 THIS CONTRACT, made this 31<sup>st</sup> day of May, 2006, 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 hereinafter referred to  
21 as Federal Reclamation law, among the UNITED STATES OF AMERICA, hereinafter referred to  
22 as the United States, DEPARTMENT OF WATER RESOURCES OF THE STATE OF  
23 CALIFORNIA, hereinafter referred to as DWR, and KERN-TULARE WATER DISTRICT,  
24 hereinafter referred to as the Contractor, a public agency of the State of California, duly organized,  
25 existing, and acting pursuant to the laws thereof;

26 WITNESSETH, That:

27 EXPLANATORY RECITALS

28 WHEREAS, the United States, DWR, and the Contractor entered into an interim  
29 renewal contract identified as Contract No. 14-06-200-8601A-IR5, hereinafter referred to as the  
30 Interim Renewal Contract, which provided for the continued water service to the Contractor  
31 following expiration of Contract No. 14-06-200-8601A; and

32 WHEREAS, the United States, DWR, and the Contractor have entered into  
33 successive renewals of the Interim Renewal Contract, the most recent of which is Contract No.  
34 14-06-200-8601A-IR9, hereinafter referred to as the Existing Interim Renewal Contract, from  
35 March 1, 2005, through February 28, 2006; and

36 WHEREAS, the United States, DWR, and the Contractor have made significant  
37 progress in their negotiations of a long-term renewal contract, believe that further negotiations on  
38 the long-term renewal contract would be beneficial, and mutually commit to continue to negotiate to  
39 seek to reach agreement, but anticipate that the environmental documentation necessary for  
40 execution of any long-term renewal contract will be delayed until March 2007 and may be delayed  
41 further for reasons beyond the control of the parties; and

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

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

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

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

51        INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

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

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

69 UNITED STATES OF AMERICA

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

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

73 Approved as to Legal Form and  
74 Sufficiency:

DEPARTMENT OF WATER RESOURCES  
OF THE STATE OF CALIFORNIA

75 *Dr. David A. Anderson*  
76 Chief Counsel (Acting)  
77 Department of Water Resources

By: *[Signature]*  
Director  
Department of Water Resources

78 (SEAL)

KERN-TULARE WATER DISTRICT

79 By: *[Signature]*  
80 Chairman, Board of Supervisors  
President, Board of Directors

81 Attest:

82 *[Signature]*  
83 Secretary

84 (H:\pub440\Interim Renewal Contracts - Drafts, charts, etc.\2006-2007 IRC's\CVC Revised 12-  
85 14-05\CVC-Kern-Tulare 12 mo-(3-1-06 - 2-28-07) Rev  
86 +ised 12-14-05.doc

BEFORE THE BOARD OF DIRECTORS OF THE  
KERN-TULARE WATER DISTRICT

RESOLUTION NO. 2006-5

AUTHORIZING EXECUTION OF INTERIM  
RENEWAL WATER SERVICE CONTRACT BETWEEN  
THE UNITED STATES AND KERN TULARE-WATER DISTRICT  
(CONTRACT NO. 14-06-200-8601A-IR10)

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**WHEREAS**, this District entered into a contract for furnishing water to the District, with the United States of America, dated November 30, 1976, Contract No. 14-06-200-8601A, which was subsequently amended; and

**WHEREAS**, the original Contract was renewed by that certain Interim Renewal Contract dated February 29, 1996, Contract No. 14-06-200-8601A-IR1 for a term of two years ending on February 28, 1998, which was renewed by that certain Interim Renewal Contract dated February 28, 1998, Contract No. 14-06-200-8601A-IR2 for a term of two years ending on February 28, 2000, Contract No. 14-06-200-8601A-IR3 for a term of nine months ending November 30, 2000, Contract No. 14-06-200-8601A-IR4 for a three-month term ending February 29, 2001, Contract No. 14-06-200-8601A-IR5 for a term of one year ending February 28, 2002, Contract No. 14-06-200-8601A-IR6 for a term of one year ending February 28, 2003; Contract No. 14-06-200-8601A-IR7 for a term of one year ending February 28, 2004; Contract No. 14-06-200-8601A-IR8 for a term of one year ending February 28, 2005, and Contract No. 14-06-200-8601A-IR9 for a term of one year ending February 28, 2006; and

**WHEREAS**, in the event the parties do not execute a long-term renewal contract it is in the best interest of the District that the District on an interim basis renew its water service contract with the United States of America pursuant to the Act of Congress of July 2, 1956 (70 Stat. 483) and Section 3404(c)(1) of the Central Valley Project Improvement Act, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706) ("CVPIA"), thereby providing continued water service to lands within the District; and

**WHEREAS**, in connection with execution of such interim renewal contract, a Notice of Determination was made by Lower Tule River Irrigation District, who is the lead agency.

**NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF DIRECTORS THAT:**

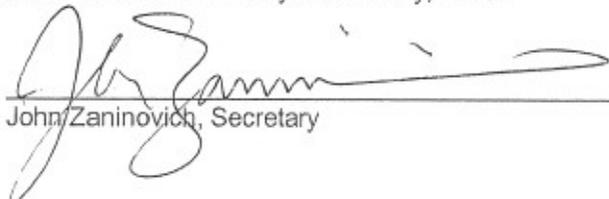
1. The foregoing findings are true and correct.
2. The President and Secretary of the District are authorized and directed to execute on behalf of the District the interim renewal contract, entitled, "Interim Renewal Contract Between the United States and the District Providing for Project Water Service," Interim Renewal Contract No. 14-06-200-8601A-IR10, substantively in the form attached hereto as Exhibit A if for any reason the District, the United States and/or the State of California are not able to or fail to execute a long-term renewal contract effective March 1, 2006.
3. The District's officers and staff are authorized and directed to do all things necessary and proper to carry out the foregoing.
4. That a certified copy of this resolution shall forthwith be prepared and transmitted by the District's Secretary to the Bureau of Reclamation.

**ALL THE FOREGOING**, being on motion of Director Pandol and seconded by Director Zaninovich was authorized by the following vote, to wit:

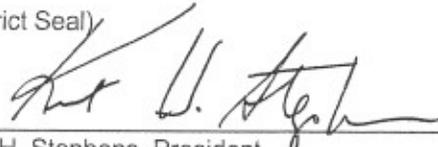
AYES:	Holmes, Kelsey, Pandol, Stephens, and Zaninovich
NOES:	None
ABSENT:	None
ABSTAIN:	None

I **HEREBY CERTIFY** that the foregoing resolution is the resolution of said District as duly passed and adopted by said Board of Directors on the 14<sup>th</sup> day of February, 2006.

**WITNESS** my hand and seal of the Board of Directors this 14<sup>th</sup> day of February, 2006.

  
\_\_\_\_\_  
John Zaninovich, Secretary

(District Seal)

  
\_\_\_\_\_  
Kent H. Stephens, President