

## SUGGESTED TEXT FOR USBR CONTRACT

### PREAMBLE

... and the PLEASANT GROVE-VERONA MUTUAL WATER COMPANY, hereinafter referred to as the Contractor; a California corporation acting pursuant to California Water Code Sections 12003 and 12004, as agent for and on behalf of its shareholders, the owners of the underlying water rights within the Contractor's service area.

### EXPLANATORY RECITALS

[2nd] WHEREAS, the Contractor's shareholders have rights to divert, are diverting, and will continue to divert for reasonable beneficial use, water from the natural flow of the Sacramento River and tributaries thereto, that would have been flowing therein if the Central Valley Project were not in existence; and

[5th] WHEREAS, the Contractor's shareholders and the United States had a dispute over the respective rights of the parties to divert and use water from the regulated flow of the Sacramento River which threatened to result in litigation, and as a means to settle that dispute entered into Contract No. 14-06-200-5520A, as revised, ...

PARAGRAPH 7. (a) Page 14, lines 2, 3

... "agricultural purposes" includes, but is not restricted to, the irrigation of crops, the watering of livestock, ...

PARAGRAPH 7. (b), Page 14, line 9

... the underlying water rights of the Contractor's shareholders will be considered ...

PARAGRAPH 9. (d) Page 22, lines 15 through Page 23, line 3

... shall not jeopardize the rights or position of either the United States or the Contractor's shareholders with regard to their respective water rights or the yield thereof at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all times will first use water to the use of which its shareholders are entitled by virtue of their own water rights, and neither the provisions of this Settlement Contract, action taken thereunder, nor payments made thereunder to the United States by the Contractor shall be construed as an admission that any part of the water used by the Contractor during the term of this Settlement Contract was in fact water to which its shareholders would not have been entitled under their respective water rights nor shall receipt of payments thereunder by the United States from the Contractor be construed as an admission that any part of the water used by the Contractor during the term of this Settlement Contract was in fact water to which its shareholders would have been entitled under water rights owned by them.