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Contract No.  
Standard Irrigation District Form

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES AND  

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DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES PROVIDING  
FOR PROJECT WATER SERVICE AND AGREEMENT ON DIVERSION OF  
WATER

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FOR PROJECT WATER SERVICE AND AGREEMENT ON DIVERSION OF  
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THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 2002,  
in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50  
Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended  
and supplemented, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12,  
1982 (96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV  
of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as  
Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter  
referred to as the United States, and \_\_\_\_\_, hereinafter referred to  
as the Contractor, a public agency of the State of California, duly organized, existing, and  
acting pursuant to the laws thereof, with its principal place of business in California;  
*(may change depending on contracting entity)*

WITNESSETH, That:

1 EXPLANATORY RECITALS

2 WHEREAS, the United States has constructed and is operating the Central Valley  
3 Project, California, for diversion, storage, carriage, distribution and beneficial use, for  
4 flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation,  
5 protection and restoration, generation and distribution of electric energy, salinity control,  
6 navigation and other beneficial uses, of waters of the Sacramento River, the American  
7 River, the Trinity River, and the San Joaquin River and their tributaries; and

8 WHEREAS, the Contractor asserts that it has rights to divert, is diverting, and  
9 will continue to divert for reasonable beneficial use, water from the natural flow of the  
10 Sacramento River and tributaries thereto, that would have been flowing therein if the  
11 Central Valley Project were not in existence; and

12 WHEREAS, the construction and operation of the integrated and coordinated  
13 Central Valley Project has changed and will further change the regimen of the  
14 Sacramento, American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin  
15 Delta from unregulated flow to regulated flow; and

16 WHEREAS, the United States asserts that it has rights to divert, is diverting, and  
17 will continue to divert waters from said Rivers and said Delta in connection with the  
18 operation of said Central Valley Project, and

19 WHEREAS, the Contractor and the United States entered into Contract No.  
20 \_\_\_\_\_, as amended, hereinafter referred to as the Existing Contract, which  
21 established terms for the delivery to the Contractor of Central Valley Project Water and  
22 the quantities of Base Supply the Contractor may divert from the Sacramento River from  
23 \_\_\_\_\_ through \_\_\_\_\_; and



1 (d) "Critical Year" shall mean any Year in which either of the following  
2 eventualities exists:

3 (1) The forecasted full natural inflow to Shasta Lake for the current Water  
4 Year, as such forecast is made by the United States on or before February 15 and  
5 reviewed as frequently thereafter as conditions and information warrant, is equal to or  
6 less than three million two hundred thousand (3,200,000) acre-feet; or

7 (2) The total accumulated actual deficiencies below four million  
8 (4,000,000) acre-feet in the immediately prior Water Year or series of successive prior  
9 Water Years each of which had inflows of less than four million (4,000,000) acre-feet,  
10 together with the forecasted deficiency for the current Water Year, exceed eight hundred  
11 thousand (800,000) acre-feet. For the purpose of determining a Critical Year the  
12 computed inflow to Shasta Lake under present upstream development above Shasta Lake  
13 shall be used as the full natural inflow to Shasta Lake. In the event that major  
14 construction occurs above Shasta Lake after April 1, 2004, which materially alters the  
15 present regimen of the stream systems contributing to Shasta Lake, the computed inflow  
16 to Shasta Lake used to define a Critical Year will, be adjusted to eliminate the effect of  
17 such material alterations. After consultation with the State of California, the National  
18 Weather Service, and other recognized forecasting agencies, the Contracting Officer will  
19 select the forecast to be used and will make the details of it available to the Contractor.  
20 The same forecasts used by the United States for the operation of the Project shall be  
21 used to make the forecasts hereunder;

22 (e) "CVPIA" shall mean the Central Valley Project Improvement Act, Title  
23 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

1 (f) "Eligible Lands" shall mean all lands to which Project Water may be  
2 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12,  
3 1982 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

4 (g) "Excess Lands" shall mean all lands in excess of the limitations contained  
5 in Section 204 of the RRA, other than those lands exempt from acreage limitation under  
6 Federal Reclamation law;

7 (h) "Full Cost Rate" shall mean that water rate described in Sections  
8 205(a)(3) or 202(3) of the RRA, whichever is applicable;

9 (i) "Ineligible Lands" shall mean all lands to which Project Water may not be  
10 delivered in accordance with Section 204 of the RRA;

11 (j) "Landholder" shall mean a party that directly or indirectly owns or leases  
12 nonexempt land, as provided in 43 CFR 426.2;

13 (k) "Project" shall mean the Central Valley Project owned by the United  
14 States and managed by the Department of the Interior, Bureau of Reclamation;

15 (l) "Project Water" shall mean all water diverted or scheduled to be diverted  
16 each month during the period April through October of each Year by the Contractor from  
17 the Sacramento River which is in excess of the Base Supply. The United States  
18 recognizes the right of the Contractor to make arrangements for acquisition of water from  
19 projects of others than the United States for delivery through the Sacramento River and  
20 tributaries subject to written agreement between Contractor and the United States as to  
21 identification of such water which water when so identified shall not be deemed Project  
22 Water under this contract;

1 (m) "Rates" shall mean the payments for Project Water determined annually  
2 by the Contracting Officer in accordance with the then current applicable water  
3 ratesetting policies for the Project, as described in subdivision (a) of Article 8 of this  
4 Contract;

5 (n) "Secretary" or "Contracting Officer" shall mean the Secretary of the  
6 Interior, a duly appointed successor, or an authorized representative acting pursuant to  
7 any authority of the Secretary and through any agency of the Department of the Interior;

8 (o) "Water Year" shall mean the period commencing with October 1 of one  
9 year and extending through September 30 of the next; and

10 (p) "Year" shall mean a calendar year.

11 TERM OF CONTRACT

12 2. This contract shall become effective April 1, 2004, and shall remain in effect  
13 until and including March 31, 2044: Provided, That under terms and conditions mutually  
14 agreeable to the parties hereto, renewals may be made for successive periods not to  
15 exceed forty (40) years each. The terms and conditions of each renewal shall be agreed  
16 upon not later than one (1) year prior to the expiration of the then existing contract:  
17 Provided further, That upon written request by the Contractor of the Secretary made not  
18 later than one (1) year prior to the expiration of this contract, whenever, account being  
19 taken of the amount then credited to the costs of construction of water supply works, the  
20 remaining amount of construction costs of water supply work which is properly  
21 assignable for ultimate return by the Contractor as established by the Secretary of the  
22 Interior pursuant to (3) of Section 1 of Public Law 643 (70 Stat. 483), probably can be  
23 repaid to the United States within the term of a contract under subsection (d), Section 9 of



1 the 1939 Reclamation Project Act (53 Stat. 1187), this contract may be converted to a  
2 contract under said subsection (d) upon terms and conditions mutually agreeable to the  
3 United States and the Contractor. Notwithstanding any provision of this contract, the  
4 Contractor reserves and shall have all rights and benefits under Public Law 643.

5 WATER TO BE FURNISHED TO CONTRACTOR

6 3. (a) Subject to the conditions, limitations, and provisions hereinafter expressed,  
7 the Contractor is hereby entitled and authorized to divert from the Sacramento River at  
8 the locations shown in Exhibit A, for beneficial use within the area delineated on Exhibit  
9 B, (both Exhibits are attached hereto and made a part hereof), the Contract Total  
10 designated in Exhibit A, or any revision thereof, in accordance with the monthly  
11 operating schedule required by Article 3(b) of this contract. The quantity of any water  
12 diverted from the Sacramento River for use on any lands delineated on Exhibit B, by the  
13 owner of such lands or otherwise shall constitute a part of the Contract Total as shown on  
14 Exhibit A and shall be subject to all the provisions of this contract relating to such  
15 Contract Total as if such diversion were made by the Contractor.

16 (b) The United States recognizes the need of the Contractor to vary from time  
17 to time its monthly diversions of water from the quantities shown in Exhibit A, or any  
18 revision thereof. Before April 1 of each Year the Contractor shall submit a written  
19 schedule to the Contracting Officer indicating the Contract Total to be diverted by the  
20 Contractor during each month. The United States shall furnish water to the Contractor in  
21 accordance with the monthly operating schedule or any revisions thereof: Provided, That  
22 in no event shall the total quantity scheduled for diversion by the Contractor from the  
23 Sacramento River:

1 (1) During the period April through October exceed the aggregate of the  
2 Contract Total for those months shown in Exhibit A or any revision thereof;

3 (2) During the period July through September exceed the aggregate of the  
4 Contract Total for those months shown in Exhibit A or any revision thereof; and

5 Provided, further, That with the prior written approval of the Contracting Officer, water  
6 to be diverted in April, May, or June may be diverted in September or October, or vice  
7 versa. The Contractor shall be charged a fee based upon the appropriate components of  
8 the water ratesetting policy for the Project for the Base Supply scheduled for diversion in  
9 April, May, or June that is diverted in September or October, or vice versa.

10 (c) In the event conditions warrant, the Contracting Officer reserves the right  
11 to require the Contractor to submit, at least seventy-two (72) hours prior to the beginning  
12 of each weekly period, its estimate of daily diversion requirements for each such period  
13 from the Sacramento River: Provided, however, That changes during any such period  
14 may be made upon the giving of seventy-two (72) hours' notice thereof to the  
15 Contracting Officer.

16 (d) No sale, transfer, exchange, or other disposal of any water or the right to  
17 the use thereof for use on land other than that shown on Exhibit B shall be made by the  
18 Contractor without:

19 (1) First obtaining the written consent of the Contracting Officer; and

20 (2) Compliance with all applicable State and Federal laws, including but  
21 not limited to the National Environmental Policy Act and the Endangered Species Act,  
22 and applicable guidelines or regulations then in effect.

1 (e) Nothing herein contained shall prevent the Contractor from diverting  
2 water during the months of November through March for beneficial use on the land  
3 shown on Exhibit B to the extent authorized under the laws of the State of California.

4 (f) The United States assumes no responsibility for and neither it nor its  
5 officers, agents, or employees shall have any liability for or on account of:

6 (1) The quality of water to be diverted by the Contractor;

7 (2) The control, carriage, handling, use, disposal, or distribution of water  
8 diverted by the Contractor outside the facilities constructed and then being operated and  
9 maintained by or on behalf of the United States;

10 (3) Claims of damage of any nature whatsoever, including but not limited  
11 to, property loss or damage, personal injury, or death arising out of or connected with the  
12 control, carriage, handling, use, disposal, or distribution of said water outside of the  
13 hereinabove referred to facilities; and

14 (4) Any damage whether direct or indirect arising out of or in any manner  
15 caused by a shortage of water whether such shortage be on account of errors in operation,  
16 drought, or unavoidable causes.

17 RETURN FLOW

18 4. The United States reserves the right to the use of all waste, seepage, and return  
19 flow water derived from water diverted by the Contractor hereunder and which escapes  
20 or is discharged beyond the boundaries of the lands shown on Exhibit B. Nothing herein  
21 shall be construed as an abandonment or a relinquishment by the United States of the  
22 right to the use of any such water; Provided, That this shall not be construed as claiming  
23 for the United States any right to such water which is recovered by the Contractor

1 pursuant to California law from within the boundaries of the lands shown on Exhibit B,  
2 and which is being used pursuant to this contract for surface irrigation or underground  
3 storage on the lands shown on Exhibit B by the Contractor. (*Colusa Basin Drain*  
4 *language may be required*)

5 CONSTRAINTS ON THE AVAILABILITY OF WATER

6 5. (a) In any Water Year that (1) the forecasted full natural inflow to Shasta Lake  
7 for the current Water Year, as such forecast is made by the United States on or before  
8 February 15 and reviewed as frequently thereafter as conditions and information warrant,  
9 is equal to or less than three million eight hundred thousand (3,800,000) acre-feet; or

10 (2) If the total accumulated actual deficiencies in the full natural inflow to Shasta  
11 Lake in the immediately prior Water Year or series of successive prior Water Years, each  
12 of which had inflows of less than four million (4,000,000) acre-feet, together with the  
13 forecasted deficiency for the current Water Year, are between 200,000 acre-feet and  
14 800,000 acre-feet, then the following reductions in the Contractor's monthly Contract  
15 Total shall be imposed:

<u>Deficiency (acre-feet)</u>	<u>Reduction</u>
200,000 – 400,000	10 percent
400,001 – 600,000	15 percent
600,001 – 800,000	20 percent

21 (b) In a Critical Year, the Contractor's Base Supply and Project Water agreed  
22 to be diverted during the period April through October of the Year in which the principal  
23 portion of the Critical Year occurs and, each monthly quantity of said period shall be  
24 reduced by twenty-five percent (25%).

25 (c) The amount of any overpayment by the Contractor shall, at its option, be  
26 refunded or credited upon amounts to become due to the United States from the

1 Contractor under the provisions hereof in the ensuing Year. To the extent of such  
2 deficiency such adjustment of overpayment shall constitute the sole remedy of the  
3 Contractor.

4 USE OF WATER FURNISHED TO CONTRACTOR

5 6. (a) Project Water furnished to the Contractor pursuant to this contract shall not  
6 be delivered or furnished by the Contractor for any purposes other than agricultural  
7 purposes, including, but not restricted to, the watering of livestock, incidental domestic  
8 use, or underground water replenishment without written consent of the Contracting  
9 Officer.

10 (b) The Contractor shall comply with requirements applicable to the  
11 Contractor in biological opinion(s) prepared as a result of a consultation regarding the  
12 execution of this Contract undertaken pursuant to Section 7 of the Endangered Species  
13 Act of 1973, as amended, that are within the Contractor's legal authority to implement.  
14 The Contractor shall comply with the limitations or requirements imposed by  
15 environmental documentation applicable to the Contractor and within its legal authority  
16 to implement regarding specific activities, including conversion of Irrigation Water to  
17 M&I Water. Nothing herein shall be construed to prevent the Contractor from  
18 challenging or seeking judicial relief in a court of competent jurisdiction with respect to  
19 any biological opinion or other environmental documentation referred to in this Article.

20 RATE AND METHOD OF PAYMENT FOR WATER

21 7. (a) The Contractor shall make payments to the United States as provided in  
22 this Article for all Project Water shown in Exhibit A of this contract at Rates and Charges  
23 established in accordance with: (i) the Secretary's then-current ratesetting policies for the

1 Project; and (ii) applicable Reclamation law and associated rules and regulations, or  
2 policies: Provided, That if the Contractor desires to use Project Water for other than  
3 agricultural use the Rates and Charges set forth above will be adjusted by the Contracting  
4 Officer to the applicable Rates and Charges for such use. The Rates and Charges  
5 applicable to the Contractor upon execution of this Contract are set forth in Exhibit “D”,  
6 as may be revised annually. The Secretary’s ratesetting policies for the Project shall be  
7 amended, modified, or superseded only through a public notice and comment procedure.

8 (b) The Contracting Officer shall notify the Contractor of the Rates and  
9 Charges as follows:

10 (1) Prior to July 1 of each Year, the Contracting Officer shall provide the  
11 Contractor an estimate of the Charges for Project Water that will be applied to the period  
12 October 1, of the current Year, through September 30, of the following Year, and the  
13 basis for such estimate. The Contractor shall be allowed not less than two (2) months to  
14 review and comment on such estimates. On or before September 15 of each Year, the  
15 Contracting Officer shall notify the Contractor in writing of the Charges to be in effect  
16 during the period October 1 of the current Year, through September 30, of the following  
17 Year, and such notification shall revise Exhibit “D.”

18 (2) Prior to October 1 of each Year, the Contracting Officer shall make  
19 available to the Contractor an estimate of the Rates for Project Water for the following  
20 Year and the computations and cost allocations upon which those Rates are based. The  
21 Contractor shall be allowed not less than two (2) months to review and comment on such  
22 computations and cost allocations. By December 31 of each Year, the Contracting

1 Officer shall provide the Contractor with the final Rates to be in effect for the upcoming  
2 Year, and such notification shall revise Exhibit “D”.

3 (c) The Contractor shall pay the United States for Project Water in the  
4 following manner:

5 (1) With respect to Rates, prior to May 1 of each Year, the Contractor  
6 shall pay the United States one-half (1/2) the total amount payable pursuant to  
7 subdivision (a) of this Article and the remainder shall be paid prior to July 1 or such later  
8 date or dates as may be specified by the United States in a written notice to the  
9 Contractor: Provided, however, That if at any time during the Year the amount of Project  
10 Water diverted by the Contractor shall equal the amount for which payment has been  
11 made, the Contractor shall pay for the remaining amount of such water as shown in  
12 Exhibit A in advance of any further diversion of Project Water.

13 (2) With respect to Charges, the Contractor shall also make a payment to  
14 the United States, in addition to the Rate(s) in subdivision (c)(1) of this Article, at the  
15 Charges then in effect, before the end of the month following the month of delivery or  
16 transfer. The payments shall be consistent with the quantities of Project Water delivered  
17 or transferred. Adjustment for overpayment or underpayment of Charges shall be made  
18 through the adjustment of payments due to the United States for Charges for the next  
19 month. Any amount to be paid for past due payment of Charges shall be computed  
20 pursuant to Article 12 of this Contract.

21 (d) Payments to be made by the Contractor to the United States under this  
22 Contract may be paid from any revenues available to the Contractor.

1           (d1) (*Contractor Specific*) All revenues received by the United States from  
2 the Contractor relating to the delivery of Project Water or the delivery of non-Project  
3 water through Project facilities shall be allocated and applied in accordance with Federal  
4 Reclamation law and the associated rules or regulations, and the then current Project  
5 ratesetting policies for Irrigation Water.

6           (e) The Contracting Officer shall keep its accounts pertaining to the  
7 administration of the financial terms and conditions of its long-term water service and  
8 settlement contracts, in accordance with applicable Federal standards, so as to reflect the  
9 application of Project costs and revenues. The Contracting Officer shall, each Year upon  
10 request of the Contractor, provide to the Contractor a detailed accounting of all Project  
11 and Contractor expense allocations, the disposition of all Project and Contractor  
12 revenues, and a summary of all water delivery information. The Contracting Officer and  
13 the Contractor shall enter into good faith negotiations to resolve any discrepancies or  
14 disputes relating to accountings, reports, or information.

15           (f) The parties acknowledge and agree that the efficient administration of this  
16 Contract is their mutual goal. Recognizing that experience has demonstrated that  
17 mechanisms, policies, and procedures used for establishing Rates and Charges and/or for  
18 making and allocating payments, other than those set forth in this Article may be in the  
19 mutual best interest of the parties, it is expressly agreed that the parties may enter into  
20 agreements to modify the mechanisms, policies, and procedures for any of those purposes  
21 while this Contract is in effect without amendment of this Contract.

22           (g) For the term of this contract, Rates under the respective ratesetting  
23 policies for the Project will be established to recover only reimbursable operation and



1 maintenance (including any deficits) and capital costs of the Project, as those terms are  
2 used in the then-current Project ratesetting policies, and interest, where appropriate,  
3 except in instances where a minimum Rate is applicable in accordance with the relevant  
4 Project ratesetting policy. Proposed changes of significance in practices which  
5 implement the ratesetting policies for the Project will not be implemented until the  
6 Contracting Officer has provided the Contractor an opportunity to discuss the nature,  
7 need, and impact of the proposed change.

8 (h) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the  
9 CVPIA, the Rates for Project Water transferred, exchanged, or otherwise disposed of , by  
10 the Contractor shall be the Contractor's Rates adjusted upward or downward to reflect the  
11 changed costs of delivery (if any) of the transferred, exchanged, or otherwise disposed of  
12 Project Water to the transferee's point of delivery in accordance with the then-current  
13 ratesetting policies for the Project. If the Contractor is receiving lower Rates and  
14 Charges because of inability to pay and is transferring, exchanging, or otherwise  
15 disposing of Project Water to another entity whose Rates and Charges are not adjusted  
16 due to inability to pay, the Rates and Charges for transferred, exchanged, or otherwise  
17 disposed of Project Water shall be the Contractor's Rates and Charges unadjusted for  
18 ability to pay.

19 (i) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting  
20 Officer is authorized to adjust determinations of ability to pay every five (5) years.

21 (j) Each payment to be made pursuant to subdivisions (a) and (b) of this  
22 Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region,  
23 File No. 11546, P.O Box 6000, San Francisco, California, 94160-1546, or at such other

1 place as the United States may designate in a written notice to the said Contractor.  
2 Payments shall be made by cash transaction, wire, or any other mechanism as may be  
3 agreed to in writing by the Contractor and the Contracting Officer. In event there should  
4 be a default in the payment of the amount due, the delinquent payment provisions of  
5 Article 12 shall apply. The Contractor shall not be relieved of the whole or any part of its  
6 said obligation by, on account of, or notwithstanding, as the case may be:

7 (1) Its failure, refusal, or neglect to divert the quantity of Project Water as  
8 hereinabove provided;

9 (2) The default in payment to it by any water user of assessments, tolls, or  
10 other charges levied by or owing to said Contractor;

11 (3) Any judicial determination that any assessment, toll, or other charge  
12 referred to in subsection 8(c)(2) of this Contract is irregular, void, or ineffectual; or

13 (4) Any injunctive process enjoining or restraining the Contractor from  
14 making or collecting any such assessment, toll, or other charge referred to in subsection  
15 8(c)(2) of this Contract.

16 AGREEMENT ON WATER QUANTITIES

17 8. (a) During the term of this contract and any renewals thereof:

18 (1) It shall constitute full agreement as between the United States and the  
19 Contractor as to the quantities of water and the allocation thereof between Base Supply  
20 and Project Water which may be diverted by the Contractor from the Sacramento River  
21 for beneficial use on the land shown on Exhibit B which said diversion, use, and  
22 allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations  
23 hereunder;

1                   (2) The Contractor shall not claim any right against the United States in  
2 conflict with the provisions hereof.

3                   (b) Nothing herein contained is intended to or does limit rights of the  
4 Contractor against others than the United States or of the United States against any  
5 person other than the Contractor: Provided, however, That in the event the Contractor,  
6 the United States, or any other person shall become a party to a general adjudication of  
7 rights to the use of water of the Sacramento River system, this contract shall not  
8 jeopardize the rights or position of either party hereto or of any other person and the  
9 rights of all such persons in respect to the use of such water shall be determined in such  
10 proceedings the same as if this contract had not been entered into, and if final judgment  
11 in any such general adjudication shall determine that the rights of the parties hereto are  
12 different from the rights as assumed herein, the United States shall submit it to the  
13 Contractor an amendment to give effect to such judgment and the contract shall be  
14 deemed to have been amended accordingly unless within sixty (60) days after submission  
15 of such amendment to the Contractor, the Contractor elects to terminate the contract or  
16 within the same period of time the parties agree upon mutually satisfactory amendments  
17 to give effect to such judgment: Provided, further, That if, during the term of this  
18 Contract, the Contractor's or the United States' water rights are adjusted or affected, or  
19 the responsibility to meet flow, water quality and/or environmental requirements under  
20 those water rights is modified (e.g., changes to the Delta Water Quality Control Plan and  
21 associated water right actions), by or through any final administrative or judicial  
22 proceeding, the Contractor and the United States shall negotiate appropriate adjustments  
23 to this contract.

1 (c) In the event this contract terminates, the rights of the parties to thereafter  
2 divert and use water shall exist as if this contract had not been entered into; and the fact  
3 that as a compromise settlement of a controversy as to the respective rights of the parties  
4 to divert and use water and the yield of such rights during the term hereof, this contract  
5 places a limit on the Contract Total to be diverted annually by the Contractor during the  
6 contract term and segregates it into Base Supply and Project Water shall not jeopardize  
7 the rights or position of either party with respect to its water rights or the yield thereof at  
8 all times after the contract terminates. It is further agreed that the Contractor at all times  
9 will first use water to the use of which it is entitled by virtue of its own water rights, and  
10 neither the provisions of this contract, action taken thereunder, nor payments made  
11 thereunder to the United States by the Contractor shall be construed as an admission that  
12 any part of the water used by the Contractor during the term of this contract was in fact  
13 water to which it would not have been entitled under water rights owned by it nor shall  
14 receipt of payments thereunder by the United States from the Contractor be construed as  
15 an admission that any part of the water used by the Contractor during the term of this  
16 contract was in fact water to which it would have been entitled under water rights owned  
17 by it.

#### 18 MEASUREMENT OF WATER

19 9. (a) All water diverted by the Contractor from Sacramento River will be  
20 diverted at the existing point or points of diversion shown on Exhibit A or at such other  
21 points as may be mutually agreed upon in writing by the Contracting Officer and the  
22 Contractor.

1           (b) All water diverted from the Sacramento River pursuant to this contract  
2 will be measured or caused to be measured by the United States at each point of diversion  
3 with existing equipment or equipment to be installed, operated, and maintained by the  
4 United States, and/or others, under contract with and at the option of the United States.  
5 The equipment and methods used to make such measurement shall be in accordance with  
6 sound engineering practices. Upon request of the Contractor, the accuracy of such  
7 measurements will be investigated by the Contracting Officer and any errors appearing  
8 therein will be corrected.

9           (c) The right of ingress to and egress from all points of diversion is hereby  
10 granted to all authorized employees of the United States. The Contractor also hereby  
11 grants to the United States the right to install, operate, maintain and replace such  
12 equipment on diversion or carriage facilities at each point of diversion as the Contracting  
13 Officer deems necessary.

14           (d) The Contractor shall not modify, alter, remove, or replace diversion  
15 facilities or do any other act which would alter the effectiveness or accuracy of the  
16 measuring equipment installed by the United States or its representatives unless and until  
17 the Contracting Officer has been notified with due diligence and has been given an  
18 opportunity to modify such measuring equipment in such manner as may be necessary or  
19 appropriate. In the event of an emergency the Contractor shall notify the United States  
20 within a reasonable time thereafter as to the existence of the emergency and the nature  
21 and extent of such modification, alteration, removal, or replacement of diversion  
22 facilities.

1 (e) The Contractor shall pay the United States for the costs to repair, relocate,  
2 or replace measurement equipment when the Contractor modifies, alters, removes, or  
3 replaces diversion or carriage facilities.

4 (f) (*Contractor Specific*) By \_\_\_\_\_[DATE] \_\_\_\_\_, the  
5 Contractor shall ensure that, unless the Contractor establishes an alternative measurement  
6 program satisfactory to the Contracting Officer, all surface water delivered for irrigation  
7 purposes on the lands delineated on Exhibit B is measured at each agricultural turnout.  
8 The water measuring devices or water measuring methods of comparable effectiveness  
9 must be acceptable to the Contracting Officer. The Contractor shall be responsible for  
10 installing, operating, and maintaining and repairing all such measuring devices and  
11 implementing all such water measuring methods at no cost to the United States. The  
12 Contractor shall inform the Contracting Officer in writing by April 30 of each Year of the  
13 monthly volume of surface water delivered to the lands delineated on Exhibit B during  
14 the previous Year. This information will be used by Reclamation to satisfy the water  
15 measurement requirements of the Contractor's water conservation plan, as set forth in  
16 Article 28 of this Contract.

17 (g) All new surface water delivery systems installed within the lands  
18 delineated on Exhibit B after the effective date of this Contract shall also comply with the  
19 measurement provisions described in this Article.

#### 20 RULES AND REGULATIONS

21 10. The parties agree that the delivery of Project Water for irrigation use or use of  
22 Federal facilities pursuant to this Contract is subject to Federal Reclamation law,  
23 including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa et

1 seq.), as amended and supplemented, and the rules and regulations promulgated by the  
2 Secretary of the Interior under Federal Reclamation law.

3 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT  
4

5 11. (a) The obligation of the Contractor to pay the United States as provided in  
6 this Contract is a general obligation of the Contractor notwithstanding the manner in  
7 which the obligation may be distributed among the Contractor's water users and  
8 notwithstanding the default of individual water users in their obligations to the  
9 Contractor.

10  
11 (b) The payment of charges becoming due hereunder is a condition precedent  
12 to receiving benefits under this Contract. The United States shall not make water  
13 available to the Contractor through Project facilities during any period in which the  
14 Contractor may be in arrears in the advance payment of water rates due the United States.  
15 The Contractor shall not furnish water made available pursuant to this Contract for lands  
16 or parties which are in arrears in the advance payment of water rates levied or established  
17 by the Contractor.

18  
19 (c) With respect to subdivision (b) of this Article, the Contractor shall have  
20 no obligation to require advance payment for water rates which it levies.  
21

22 CHARGES FOR DELINQUENT PAYMENTS  
23

24 12. (a) The Contractor shall be subject to interest, administrative and penalty  
25 charges on delinquent installments or payments. When a payment is not received by the  
26 due date, the Contractor shall pay an interest charge for each day the payment is  
27 delinquent beyond the due date. When a payment becomes sixty (60) days delinquent,  
28 the Contractor shall pay an administrative charge to cover additional costs of billing and  
29 processing the delinquent payment. When a payment is delinquent ninety (90) days or  
30 more, the Contractor shall pay an additional penalty charge of six (6%) percent per year  
31 for each day the payment is delinquent beyond the due date. Further, the Contractor shall  
32 pay any fees incurred for debt collection services associated with a delinquent payment.  
33

34 (b) The interest charge rate shall be the greater of the rate prescribed quarterly  
35 in the Federal Register by the Department of the Treasury for application to overdue  
36 payments, or the interest rate of one-half of one (0.5%) percent per month prescribed by  
37 Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest  
38 charge rate shall be determined as of the due date and remain fixed for the duration of the  
39 delinquent period.  
40

41 (c) When a partial payment on a delinquent account is received, the amount  
42 received shall be applied, first to the penalty, second to the administrative charges, third  
43 to the accrued interest, and finally to the overdue payment.  
44

1 QUALITY OF WATER

2 13. The operation and maintenance of Project facilities shall be performed in  
3 such manner as is practicable to maintain the quality of raw water made available through  
4 such facilities at the highest level reasonably attainable as determined by the Contracting  
5 Officer. The United States does not warrant the quality of water and is under no  
6 obligation to construct or furnish water treatment facilities to maintain or better the  
7 quality of water.

8 WATER AND AIR POLLUTION CONTROL

9 14. The Contractor, in carrying out this Contract, shall comply with all applicable  
10 water and air pollution laws and regulations of the United States and the State of  
11 California, and shall obtain all required permits or licenses from the appropriate Federal,  
12 State, or local authorities.

13 EQUAL OPPORTUNITY

14  
15 15. During the performance of this Contract, the Contractor agrees as follows:  
16

17 (a) The Contractor will not discriminate against any employee or applicant  
18 for employment because of race, color, religion, sex, or national origin. The Contractor  
19 will take affirmative action to ensure that applicants are employed, and that employees  
20 are treated during employment, without regard to their race, color, religion, sex, or  
21 national origin. Such action shall include, but not be limited to, the following:  
22 Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;  
23 layoff or termination, rates of payment or other forms of compensation; and selection for  
24 training, including apprenticeship. The Contractor agrees to post in conspicuous places,  
25 available to employees and applicants for employment, notices to be provided by the  
26 Contracting Officer setting forth the provisions of this nondiscrimination clause.  
27

28 (b) The Contractor will, in all solicitations or advertisements for employees  
29 placed by or on behalf of the Contractor, state that all qualified applicants will receive  
30 consideration for employment without discrimination because of race, color, religion,  
31 sex, or national origin.  
32

33 (c) The Contractor will send to each labor union or representative of workers  
34 with which it has a collective bargaining agreement or other contract or understanding, a



1 notice, to be provided by the Contracting Officer, advising the said labor union or  
2 workers' representative of the Contractor's commitments under Section 202 of Executive  
3 Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous  
4 places available to employees and applicants for employment.  
5

6 (d) The Contractor will comply with all provisions of Executive Order No.  
7 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant  
8 orders of the Secretary of Labor.  
9

10 (e) The Contractor will furnish all information and reports required by said  
11 amended Executive Order and by the rules, regulations, and orders of the Secretary of  
12 Labor, or pursuant thereto, and will permit access to its books, records, and accounts by  
13 the Contracting Officer and the Secretary of Labor for purposes of investigation to  
14 ascertain compliance with such rules, regulations, and orders.  
15

16 (f) In the event of the Contractor's noncompliance with the nondiscrimination  
17 clauses of this Contract or with any of the said rules, regulations, or orders, this Contract  
18 may be canceled, terminated, or suspended, in whole or in part, and the Contractor may  
19 be declared ineligible for further Government contracts in accordance with procedures  
20 authorized in said amended Executive Order, and such other sanctions may be imposed  
21 and remedies invoked as provided in said Executive Order, or by rule, regulation, or  
22 order of the Secretary of Labor, or as otherwise provided by law.  
23

24 (g) The Contractor will include the provisions of paragraphs (a) through (g)  
25 in every subcontract or purchase order unless exempted by the rules, regulations, or  
26 orders of the Secretary of Labor issued pursuant to Section 204 of said amended  
27 Executive Order, so that such provisions will be binding upon each subcontractor or  
28 vendor. The Contractor will take such action with respect to any subcontract or purchase  
29 order as may be directed by the Secretary of Labor as a means of enforcing such  
30 provisions, including sanctions for noncompliance: Provided, however, That in the event  
31 the Contractor becomes involved in, or is threatened with, litigation with a subcontractor  
32 or vendor as a result of such direction, the Contractor may request the United States to  
33 enter into such litigation to protect the interests of the United States.  
34

35 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS  
36 *(For Districts Only)*  
37

38 16. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
39 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as  
40 amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other  
41 applicable civil rights laws, as well as with their respective implementing regulations and  
42 guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.  
43

44 (b) These statutes require that no person in the United States shall, on the  
45 grounds of race, color, national origin, handicap, or age, be excluded from participation  
46 in, be denied the benefits of, or be otherwise subjected to discrimination under any

1 program or activity receiving financial assistance from the Bureau of Reclamation. By  
2 executing this Contract, the Contractor agrees to immediately take any measures  
3 necessary to implement this obligation, including permitting officials of the United States  
4 to inspect premises, programs, and documents.

5  
6 (c) The Contractor makes this agreement in consideration of and for the  
7 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or  
8 other Federal financial assistance extended after the date hereof to the Contractor by the  
9 Bureau of Reclamation, including installment payments after such date on account of  
10 arrangements for Federal financial assistance which were approved before such date.  
11 The Contractor recognizes and agrees that such Federal assistance will be extended in  
12 reliance on the representations and agreements made in this Article, and that the United  
13 States reserves the right to seek judicial enforcement thereof.

14  
15 MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER

16 17. (a) Project Water must of necessity be transported by the Contractor to its  
17 water users by means of the same works and channels used for the transport of its non-  
18 Project Water. Notwithstanding such mingling of water, the provisions of Article 11  
19 hereof shall be applicable only to Project Water, and such mingling of water shall not in  
20 any manner subject to the provisions of Article 11 hereof the Contractor's non-Project  
21 water.

22 (b) If required in accordance with subdivision (c) of this Article, the  
23 Contractor shall install and maintain such measuring equipment and distribution facilities  
24 and maintain such records as may be necessary to determine the amounts of water  
25 delivered to Excess Lands served by the Contractor. The Contractor shall not within any  
26 month deliver to Ineligible Lands water in excess of the non-Project Water for that  
27 month. The Contracting Officer or authorized representative shall have the right at all  
28 reasonable times to inspect such records and measuring equipment.

29 (c) The Contractor will not be considered in violation of the requirement that  
30 Project Water be delivered only to Eligible Lands during any month of the irrigation

1 season that the water requirement for beneficial use on Eligible Lands for that month is  
2 equal to or in excess of the Project Water for that month as shown on Exhibit A or any  
3 revision thereof pursuant to subdivision (b) of Article 3. The water requirement for  
4 beneficial use on Eligible Lands will be determined by multiplying:

5 (1) the number of irrigable acres of the particular types of crops grown in  
6 that year on the acreage designated as eligible by

7 (2) the Unit Duties as set forth in Exhibit C attached hereto and made a  
8 part hereof, or by such other Unit Duties mutually agreed upon by the Contractor and the  
9 Contracting Officer. In order to make the computation of the water requirement for  
10 Eligible Lands, on April 1 of each Year and concurrently with its order for water for the  
11 irrigation season, the Contractor shall designate the acreage of and type of crops to be  
12 grown on its Eligible Lands that irrigation season. During any month the water  
13 requirement as above determined for crops growing on Eligible Lands during such month  
14 is equal to or in excess of the Project Water for that month as provided herein the  
15 Contractor shall not be required to measure the water delivered to Excess Lands. Any  
16 month the said water requirement is less than the amount of Project Water as provided  
17 herein, the Contractor will be required to measure water delivered to excess land in  
18 accordance with subdivision (b) hereof.

19 **BOOKS, RECORDS, AND REPORTS**

20 18. The Contractor shall establish and maintain accounts and other books and  
21 records pertaining to administration of the terms and conditions of this Contract,  
22 including: the Contractor's financial transactions, water supply data, and Project land and  
23 right-of-way agreements; the water users' land-use (crop census), land ownership, land-  
24 leasing and water use data; and other matters that the Contracting Officer may require.  
25 Reports thereon shall be furnished to the Contracting Officer in such form and on such  
26 date or dates as the Contracting Officer may require. Subject to applicable Federal laws  
27 and regulations, each party to this Contract shall have the right during office hours to

1 examine and make copies of each other's books and official records relating to matters  
2 covered by this Contract.

3  
4 CHANGE OF PLACE OF USE OR ORGANIZATION

5 19. (a) Unless the written consent of the United States is first obtained no change  
6 shall be made in the place of water use shown on Exhibit B.

7 (b) While this contract is in effect, no change shall be made in the area of the  
8 Contractor as shown on its Exhibit B, by inclusion or exclusion of lands, by dissolution,  
9 consolidation, or merger or otherwise, except upon the Contracting Officer's written  
10 assent thereto.

11 (c) In the event lands are excluded from the area of the Contractor, as  
12 provided herein, the quantity of Project Water to be diverted may be decreased pursuant  
13 to a supplemental agreement to be executed in respect thereto.

14 CONSOLIDATION OF CONTRACTING ENTITIES

15  
16 20. Consolidation of Contractors may be approved by the Contracting Officer  
17 provided: (i) the Contracting Officer approves the form and organization of the resulting  
18 entity and the utilization by it of the Contract Total; and (ii) the obligations of the  
19 Contractor are assumed by such entity.

20 No such consolidation shall be valid unless and until approved by the Contracting  
21 Officer.

22 NOTICES

23 21. Any notice, demand, or request authorized or required by this Contract shall  
24 be deemed to have been given, on behalf of the Contractor, when mailed, postage  
25 prepaid, or delivered to the Area Manager, Northern California Area Office, Bureau of  
26 Reclamation, 16349 Shasta Dam Blvd., Shasta Lake, California, 96019, and on behalf of  
27 the United States, when mailed, postage prepaid, or delivered to the Board of Directors  
28 /City Council of the \_\_\_\_\_ . The designation of the addressee or

1 the address may be changed by notice given in the same manner as provided in this  
2 Article for other notices.

3  
4 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

5  
6 22. (a) The provisions of this Contract shall apply to and bind the successors  
7 and assigns of the parties hereto, but no assignment or transfer of this Contract or any  
8 right or interest therein shall be valid until approved in writing by the Contracting  
9 Officer.

10  
11 (b) The assignment of any right or interest in this Contract by either party  
12 shall not interfere with the rights or obligations of the other party to this Contract absent  
13 the written concurrence of said other party.

14  
15 (c) The Contracting Officer shall not unreasonably condition or withhold his  
16 approval of any proposed assignment.

17  
18 OFFICIALS NOT TO BENEFIT

19  
20 23. (a) No Member of or Delegate to Congress, Resident Commissioner, or  
21 official of the Contractor shall benefit from this Contract other than as a water user or  
22 landowner in the same manner as other water users or landowners.

23  
24 (b) No officer or member of the governing board of the Contractor shall  
25 receive any benefit that may arise by reason of this contract other than as a landowner  
26 within the Contractor's service area and in the same manner as other landowners within  
27 the said service area.

28  
29 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

30  
31 24. The expenditure or advance of any money or the performance of any  
32 obligation of the United States under this Contract shall be contingent upon appropriation  
33 or allotment of funds. Absence of appropriation or allotment of funds shall not relieve  
34 the Contractor from any obligations under this Contract. No liability shall accrue to the  
35 United States in case funds are not appropriated or allotted.

36  
37 CONFIRMATION OF CONTRACT

38 25. The Contractor, after the execution of this Contract, shall promptly seek to  
39 secure a decree of a court of competent jurisdiction of the State of California, if  
40 appropriate, confirming the execution of this contract. The Contractor shall furnish the  
41 United States a certified copy of the final decree, the validation proceedings, and all  
42 pertinent supporting records of the court approving and confirming this Contract, and  
43 decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This  
44 Contract shall not be binding on the United States until such final decree has been  
45 secured.

1 UNAVOIDABLE GROUNDWATER PERCOLATION

2 26. To the extent applicable, the Contractor shall not be deemed to have delivered  
3 Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with  
4 groundwater that reaches the underground strata as an unavoidable result of the delivery  
5 of Project Water by the Contractor to Eligible Lands.

6 PRIVACY ACT COMPLIANCE

7  
8 27. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C.  
9 552a) (the Act) and the Department of the Interior rules and regulations under the Act (43  
10 CFR 2.45 et seq.) in maintaining Landholder acreage certification and reporting records,  
11 required to be submitted to the Contractor for compliance with Sections 206 and 228 of  
12 the Reclamation Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.18.

13  
14 (b) With respect to the application and administration of the criminal penalty  
15 provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees  
16 responsible for maintaining the certification and reporting records referenced in (a) above  
17 are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

18  
19 (c) The Contracting Officer or a designated representative shall provide the  
20 Contractor with current copies of the Interior Department Privacy Act regulations and the  
21 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Acreage  
22 Limitation--Interior, Reclamation-31) which govern the maintenance, safeguarding, and  
23 disclosure of information contained in the Landholder's certification and reporting  
24 records.

25  
26 (d) The Contracting Officer shall designate a full-time employee of the  
27 Bureau of Reclamation to be the System Manager who shall be responsible for making  
28 decisions on denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to  
29 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to  
30 their own records.

31  
32 (e) The Contractor shall forward promptly to the System Manager each  
33 proposed denial of access under 43 CFR 2.64; and each request for amendment of records  
34 filed under 43 CFR 2.71; notify the requester accordingly of such referral; and provide  
35 the System Manager with information and records necessary to prepare an appropriate  
36 response to the requester. These requirements do not apply to individuals seeking access  
37 to their own certification and reporting forms filed with the Contractor pursuant to 43  
38 CFR 426.18, unless the requester elects to cite the Privacy Act as a basis for the request.  
39

WATER CONSERVATION

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28. (a) Prior to the diversion of Project Water, the Contractor shall be implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. Continued diversion of Project Water pursuant to this Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's water conservation plan or any revised water conservation plan completed pursuant to subdivision (c) of Article 28 of this Contract have not yet been determined by the Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, Project Water deliveries shall be made under this Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.

(b) The Contractor shall submit to the Contracting Officer a report on the status of its implementation of the water conservation plan on the reporting dates specified in the then existing conservation and efficiency criteria established under Federal law.

1 (c) At five (5)-year intervals, the Contractor shall revise its water  
2 conservation plan to reflect the then current conservation and efficiency criteria for  
3 evaluating water conservation plans established under Federal law and submit such  
4 revised water management plan to the Contracting Officer for review and evaluation.  
5 The Contracting Officer will then determine if the water conservation plan meets  
6 Reclamation's then current conservation and efficiency criteria for evaluating water  
7 conservation plans established under Federal law.

8 (d) If the Contractor is engaged in direct ground-water recharge, such activity  
9 shall be described in the Contractor's water conservation plan.

10 OPINIONS AND DETERMINATIONS

11  
12 29. (a) Where the terms of this Contract provide for actions to be based upon the  
13 opinion or determination of either party to this Contract, said terms shall not be construed  
14 as permitting such action to be predicated upon arbitrary, capricious, or unreasonable  
15 opinions or determinations. Both parties, notwithstanding any other provisions of this  
16 Contract, expressly reserve the right to seek relief from and appropriate adjustment for  
17 any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion  
18 or determination by either party shall be provided in a timely manner. Nothing in  
19 subdivision (a) of Article 29 of this Contract is intended to or shall affect or alter the  
20 standard of judicial review applicable under federal law to any opinion or determination  
21 implementing a specific provision of federal law embodied in statute or regulation.

22 (b) The Contracting Officer shall have the right to make determinations  
23 necessary to administer this Contract that are consistent with the provisions of this  
24 Contract, the laws of the United States and of the State of California, and the rules and



1 regulations promulgated by the Secretary of the Interior. Such determinations shall be  
2 made in consultation with the Contractor to the extent reasonably practicable.

3 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

4 30. (a) In addition to all other payments to be made by the Contractor pursuant to  
5 this Contract, the Contractor shall pay to the United States, within sixty (60) days after  
6 receipt of a bill and detailed statement submitted by the Contracting Officer to the  
7 Contractor for such specific items of direct cost incurred by the United States for work  
8 requested by the Contractor associated with this Contract plus indirect costs in  
9 accordance with applicable Bureau of Reclamation policies and procedures. All such  
10 amounts referred to in this Article shall not exceed the amount agreed to in writing in  
11 advance by the Contractor. This Article shall not apply to costs for routine contract  
12 administration.

13 (b) All advances for miscellaneous costs incurred for work requested by the  
14 Contractor pursuant to Article 30 of this Contract shall be adjusted to reflect the actual  
15 costs when the work has been completed. If the advances exceed the actual costs  
16 incurred, the difference will be refunded to the Contractor. If the actual costs exceed the  
17 Contractor's advances, the Contractor will be billed for the additional costs pursuant to  
18 Article 30 of this Contract.

19 WAIVER OF DEFAULT

20 31. The waiver by either party to this contract as to any default shall not be  
21 construed as a waiver of any other default or as authority of the other party to continue  
22 such default or to make, do, or perform, or not to make, do, or perform, as the case may  
23 be, any act or thing which would constitute a default.

1                   IN WITNESS WHEREOF, the parties hereto have executed this contract as of  
2 the day and year first hereinabove written.

3  
4                   THE UNITED STATES OF AMERICA

5  
6  
7  
8                   By: \_\_\_\_\_  
9                   Regional Director, Mid-Pacific Region  
10                  Bureau of Reclamation

11  
12  
13 (SEAL)

14  
15  
16                  (Contractor)

17  
18  
19                  By: \_\_\_\_\_  
20                  President

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22                  ATTEST:

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27                  Secretary

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