

Comparison of Existing Sacramento River Settlement Contract with Draft Renewal Contract
(Standard Form Irrigation Contract)

| Existing Contract | Renewal Contract | Comments |
|--------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preamble | Preamble | Added references to specific laws enacted since execution of existing contract. |
| Explanatory Recitals (5) | Explanatory Recitals (7) | 5 th & 6 th recitals are new. |
| Article 1 - Definitions | Article 1 - Definitions | Definitions now shown in alphabetical order. New definitions were added for "Basin-Wide Water Management Plan", "Charges", "CVPIA", "Excess Lands", "Full-Cost Rate", "Ineligible Lands", "Landholder", "Rates", & "Surface Water". |
| 2 - Term | 2 - Term | No change: Term will be 40 years. |
| 3 - Water to be Furnished To Contractor | 3 - Water to be Furnished To Contractor | Article 3(b) recognizes that contractor may have acquired other rights to divert water; Article 3(c) requires the contractor to submit a water diversion schedule by April 1; Article 3(c)(1) requires payment of an annually adjusted fee for rescheduling Base Supply during the months of June through October. Fee is equal to 50% of the sum of the storage O&M rate and storage capital rate. |
| 4 – Return Flow | 4 – Return Flow | Language was revised. |
| 5 – Critical Year Reduction | 5 – Constraints on the Availability of Water | Renamed article, but no change in reduction of supply that applies during a "Critical Year" when water quantities are reduced by 25%. |
| 6 – Need for more water | 6 – Integrated Water Management | Existing Article 6 was deleted as Reclamation does not have additional Project Water that can be made available for diversion. Renewal Article 6 was inserted to provide cooperation to maximize benefits. |
| 7 – Use of Water | 7 – Use of Water | Article 7(a) was revised to provide a more complete definition of agricultural purposes; Article 7(b) was added to obtain contractor's compliance with biological opinions prepared pursuant to the Endangered Species Act of 1973. |
| 8 - Payments | 8 – Payments | Contractors no longer have to pay for 100% of Project Water whether it is diverted or not. Must pay for 75% of Project Water in Exhibit A whether or not this quantity is actually diverted. Payment for diversions of Project Water in excess of 75% will be made for the amount actually diverted. The Rate for Project Water will be the Cost of Service rate (determined annually), instead of \$2.00 per acre-foot (the 2003 Cost of Service rate is in the \$20.00 range). Contractors must pay a Restoration Fund Charge for Project Water actually diverted (the 2003 Restoration Fund charge for irrigation water is \$7.69 per acre-foot; the 2003 M&I charge is \$15.38). Article 8(g) has been revised to give the contractor the right to challenge the validity of Rates and Charges. |
| 9 – Agreement on Water Quantities. | 9 – Agreement on Water Quantities. | Article 9(c) was added in case of a decision that modifies the terms and conditions of the water rights of the contractor or the United States. |
| 10 - Measurement | 10 - Measurement | Article 10 (e) was added to require the contractor to pay the United States for costs incurred if the diversion point is moved or modified. Articles 10(f) and (g) are new subarticles. |
| 11 – All Benefits Conditioned Upon Payment | 11 – Rules and Regulations | Existing Article 11 is now Article 12. Renewal Article 11 replaces Articles 14, 15, 16 and 17 of existing contract and cites the Reclamation Reform Act of 1982, which |

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| | | addresses acreage limitation provisions that apply to Project Water. |
| 12 – Waiver of Default | 12 – General Obligation ... | Existing Article 12 is now Article 32, but language remains the same. |
| 13 – Books, Records, ... | 13 – Charges for Delinquent Payments | Existing Article 13 is now Article 19. Renewal Article 13 dealing with delinquent payments expands language that was in existing Article 8. |
| 14 – Land Not to Receive Project Water | 14 – Quality of Water | Existing Article 14 was replaced by renewal Article 11. Renewal Article 14 is new. |
| 15 – Valuation and Sale of Excess Lands | 15 – Water and Air Pollution Control | Existing Article 15 was replaced by renewal Article 11. Renewal Article 15 is new. |
| 16 – Excess Lands | 16 – Equal Opportunity | Existing Article 16 was replaced by renewal Article 11. Renewal Article 16 is new. Inclusion in the contract is required by Executive Order. |
| 17 – Amendment of Federal Reclamation Laws | 17 – Compliance with Civil Rights Laws and Regulations | Existing Article 17 was replaced by renewal Article 11. Renewal Article 17 is new. Inclusion in the contract is required by various statutes, including the Civil Rights Act of 1964. This Article is omitted when the contractor is the actual user of water. |
| 18 – Mingling ... | 18 – Mingling ... | No change except for using some new defined terms. |
| 19 – Contingent Upon ... | 19 – Books, Records, ... | Existing Article 19 is now renewal Article 25. Renewal Article 19 was existing Article 13. |
| 20 – Officials Not to Benefit | 20 – Change of Place of Use ... | Existing Article 20 is now renewal Article 24 which has been expanded. Renewal article is not applicable to all contractors, in which case it will show as being omitted. |
| 21 - Notices | 21 – Consolidation of Contracting Entities | Existing Article 21 is now renewal Article 22. Renewal Article 21 was existing Article 23. |
| 22 – Contract Assignment or Termination | 22 - Notices | Existing Article 22 is now renewal Article 33. Renewal Article 22 was existing Article 21. |
| 23 - Consolidation of Contracting Entities | 23 – Assignment Limited ... | Existing Article 23 is now renewal Article 21. Renewal article is not applicable to all contractors, in which case it will show as being omitted. |
| 24 – Remedies ...- Opinions & Determinations | 24 - Officials Not to Benefit | Existing Article 24 is now renewal Article 30 which was edited and no longer includes subarticle (c). Renewal Article 24 was existing Article 20. |
| 25 – Assurance Relating to Validity of Contract | 25 – Contingent Upon ... | Existing Article 25 has been revised and is now renewal Article 26. Renewal Article 25 was existing Article 19, but has been updated. |
| 26 - Termination | 26 - Confirmation of Settlement Contract | Existing Article 26 is now renewal Article 34. Renewal Article 26 replaces existing Article 25. |
| | 27 – Unavoidable Groundwater Percolation | This article addresses the issue covered by language in existing Article 14. |
| | 28 – Privacy Act Compliance | New article – required by the Reclamation Reform Act of 1982. |
| | 29 – Water Conservation | New article which is applicable to the diversion of Project Water. Contractors with more than 2,000 acre-feet of Project Water, or more than 2,000 irrigable acres, will have to develop and implement water conservation plans. Subarticle 29(e) allows the Contractor to offer to reduce the amount of Project Water to be taken in any one year (with |

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| | | Reclamation's approval) in order to reduce the amount payable under Article 8(a)(1). |
| | 30 – Opinions and Determinations | This was existing Article 24, but was edited and no longer includes subarticle (c). This subarticle allowed contractors who signed contracts in 1964 to take advantage of any new terms and conditions offered to those who signed at a later date. Since all renewal contracts will be signed at roughly the same time, this subarticle is no longer necessary. |
| | 31 – Contractor to Pay Certain Misc. Costs. | New article. |
| | 32 – Waiver of Default | This article was existing Article 12. |
| | 33 – Contract Assignment or Termination ... | This article was existing Article 22. |
| | 34 - Termination | This article was existing Article 26. |
| Exhibit A | Exhibit A | Schedule of Monthly Diversions of Water to be updated to show current diversion points. |
| Exhibit B | Exhibit B | Map of Contract Service Area to be updated. |
| Exhibit C | Exhibit C | Unit Duties to be updated. |
| | Exhibit D | New Exhibit to show Rates and Charges for Project Water. |