

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

CONTRACT BETWEEN THE UNITED STATES
AND
GRASSLAND WATER DISTRICT FOR WATER SUPPLY
TO LANDS WITHIN
THE GRASSLAND RESOURCE CONSERVATION DISTRICT

Table of Contents

<u>Article No.</u>		<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1- 4
1	Definitions	4- 7
2	Term of Contract	8
3	Water to be Made Available and Delivered to the Contractor	8-11
4	Time for Delivery of Water	11-12
5	Point of Diversion, Measurement and Responsibility for Distribution of Water	12-13
6	Pooling of Water Supplies	13-14
7	Transfers, Reallocations or Exchanges of Water	14
8	Temporary Reductions–Return Flows	14-15
9	Water Shortage and Apportionment	15-16
10	Rules and Regulations	16
11	Water and Air Pollution Control	16
12	Quality of Water	17-18
13	Use of Non–Project Facilities for Water Delivery	18
14	Opinions and Determinations	18-19
15	Equal Opportunity	19-20
16	Compliance with Civil Rights Laws and Regulations	20-21
17	Water Conservation	21-23
18	Existing or Acquired Water or Water Rights	23
19	Contingent on Appropriation or Allotment of Funds	24
20	Books, Records, and Reports	24

<u>Article No.</u>		<u>Page No.</u>
21	Assignment Limited–Successors and Assigns Obligated	24-25
22	Liability	25
23	Officials Not to Benefit	25
24	Certification of Nonsegregated Facilities	26
25	Federal Laws	26
26	Notices	27
	Signature Page	28
	Exhibit A	
	Exhibit B	

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

CONTRACT BETWEEN THE UNITED STATES
AND
GRASSLAND WATER DISTRICT FOR WATER SUPPLY
TO LANDS WITHIN
THE GRASSLAND RESOURCE CONSERVATION DISTRICT

THIS CONTRACT, made this 19 day of January, 2001, in
pursuance generally of the Act of June 17, 1902 (32 Stat. 388) as amended and supplemented; the Act
of August 27, 1954 (68 Stat. 879), as amended by the Act of November 8, 1978 (92 Stat. 3110), the
Act of October 27, 1986 (100 Stat. 3050), and in particular Section 3406(d) of the Central Valley
Project Improvement Act (CVPIA), 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, represented by the Secretary of the Interior’s duly authorized representative acting
pursuant to this Contract, hereinafter referred to as the Contracting Officer, and Grassland Water
District, 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 Los
Banos, California;

WITNESSETH, That:

EXPLANATORY RECITALS

WHEREAS, the United States has constructed and is operating the Central Valley

27 Project, California (Project), for diversion, storage, carriage, and distribution of the waters of the
28 Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries
29 for the following beneficial uses, including, but not limited to, flood control, irrigation, municipal,
30 domestic, industrial water service, the protection, restoration and enhancement of fish, and wildlife, and
31 associated habitats in the Central Valley, the generation and distribution of electric energy, salinity
32 control, and navigation; and

33 WHEREAS, the wetlands of the Central Valley have declined to approximately
34 300,000 acres and these remaining wetlands provide critical wildlife habitat and other environmental
35 benefits, and important recreational and educational opportunities; and

36 WHEREAS, the Bureau of Reclamation’s 1989 Refuge Water Supply Report
37 concluded that “... it is clear that each refuge requires a dependable supply of good quality water to
38 facilitate proper wetland habitat management for the migratory birds of the Pacific Flyway and resident
39 wildlife and flora.”; and

40 WHEREAS, Section 3406(d) of the CVPIA requires the Secretary to provide firm
41 water supplies of suitable quality, through long-term contractual agreements with appropriate parties, to
42 maintain and improve certain wetland habitat areas in the Central Valley
43 in furtherance of the objectives of the Central Valley Habitat Joint Venture and the Central Valley
44 Project to protect, restore and enhance fish and wildlife and associated habitats; and

45 WHEREAS, the directives of Section 3406(d) of the CVPIA have been carried out
46 through a cooperative and collaborative effort between the Bureau of Reclamation and Fish and
47 Wildlife Service, acting for the Secretary of the Interior, the California Department of Fish and Game,

48 the Grassland Water District, and the Central Valley Habitat Joint Venture partners; and this
49 cooperative and collaborative effort is expected to continue; and

50 WHEREAS, the Contracting Officer has determined that the Grassland Water District
51 is the appropriate party to enter into a long-term contract to provide the firm water supplies allocated to
52 lands within the Grassland Resource Conservation District; and

53 WHEREAS, the Contracting Officer intends to use Project facilities, in part, to provide
54 firm water supplies of suitable quality to maintain and improve the Refuges; and

55 WHEREAS, the parties to this Contract have entered into contract No. 14-06-200-
56 6106, dated September 13, 1956 and contract No. 14-06-200-3447A, dated August 4, 1967
57 pursuant to Federal Reclamation law, which require that the Contracting Officer make available
58 specified quantities of Project Water to the Contractor under terms and conditions set forth in such
59 contracts as supplemented by the additional terms and conditions set forth in contract No. 14-06-200-
60 4658A, dated December 27, 1969, as amended on December 6, 1980; and

61 WHEREAS, the Contractor has demonstrated to the satisfaction of the Contracting
62 Officer that the Contractor has fully utilized the Central Valley Project water supplies available to it for
63 reasonable and beneficial use for fish and wildlife preservation and enhancement (wetland management)
64 and/or the Contracting Officer has concluded through the Bureau of Reclamation's 1989 Refuge Water
65 Supply Report and the San Joaquin Basin Action Plan/Kesterson Mitigation Action Plan Report that
66 the Contractor has projected future demand for water use such that the Contractor has the capability
67 and expects to fully utilize for reasonable and beneficial use the quantity of water to be made available
68 to it pursuant to this Contract; and

69 WHEREAS, the Contracting Officer and the Contractor are willing to execute
70 this Contract pursuant to subsection 3406(d) of the CVPIA on the terms and conditions set forth
71 below;

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

74 DEFINITIONS

75 1. When used herein unless otherwise distinctly expressed, or manifestly incompatible
76 with the intent of the parties or expressed in this contract, the term:

77 (a) "Calendar Year" shall mean the period January 1 through December 31, both
78 dates inclusive;

79 (b) "Contractor's Boundary" shall mean the Refuge(s) to which the Contractor is
80 permitted to provide Delivered Water under this contract as identified in Exhibit "A". Exhibit "A" may
81 be revised without amending this Contract upon mutual agreement of the Contractor and the
82 Contracting Officer;

83 (c) "Contracting Officer" shall mean the Secretary of the Interior's duly authorized
84 representative acting pursuant to this Contract;

85 (d) "Critically Dry Year" shall mean any Year in which either of the following
86 eventualities exists:

87 (1) The forecasted full natural inflow to Shasta Lake for the current water
88 year (October 1 of the preceding Calendar Year through September 30 of the current Calendar Year),
89 as such forecast is made by the Contracting Officer, on or before February 20, and reviewed as

90 frequently thereafter as conditions and information warrant, is equal to or less than 3,200,000 acre feet:

91 or

92 (2) The total accumulated actual deficiencies below 4,000,000 acre-feet in
93 the immediately prior water year or series of successive prior water years, each of which had inflows of
94 less than 4,000,000 acre-feet, together with the forecasted deficiency for the current water year exceed
95 800,000 acre-feet;

96 For the purpose of determining a Critically Dry Year, the computed inflow to
97 Shasta Lake under present upstream development above Shasta Lake shall be used as the full natural
98 inflow to Shasta Lake. In the event that major construction completed above Shasta Lake materially
99 alters the present regimen of the stream systems contributing to Shasta Lake, the computed inflow to
100 Shasta Lake used to define a Critically Dry Year will be adjusted to eliminate the effect of such material
101 alterations.

102 After consultation with the State, the National Weather Service, and other
103 recognized forecasting agencies, the Contracting Officer shall select the forecast to be used and will
104 make the details of it available to the Contractor. The same forecast used by the Contracting Officer for
105 operation of the Project shall be used to make forecasts hereunder.

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

108 (f) "Delivered Water" shall mean the Level 2 Water Supplies and the Incremental
109 Level 4 Water Supplies diverted by the Contractor pursuant to this Contract at the Point(s) of Delivery
110 in accordance with Article 4(c) of this Contract;

111 (g) “Hydrologic Circumstances” shall mean the conditions described in subdivision
112 (d) of this Article;

113 (h) “Incremental Level 4 Water Supplies” shall mean the difference between the
114 Level 2 Water Supplies and the Level 4 Water Supplies depicted in Exhibit “B”;

115 (i) "Level 2 Water Supplies" shall mean the quantities of water referred to in
116 section 3406 (d)(1) of the CVPIA and depicted in Exhibit “B” of this Contract;

117 (j) “Level 4 Water Supplies” shall mean the quantities of water referred to in
118 section 3406 (d)(2) of the CVPIA and depicted in Exhibit “B” of this Contract;

119 (k) “Non-Project Facilities” shall mean any non-Project water conveyance or storage
120 facilities;

121 (l) “Non-Project Water” shall mean water or water rights, other than “Project
122 Water”, acquired, appropriated by, transferred to or assigned to the Contractor or, transferred to the
123 United States for delivery to one or more of the Contractor’s Refuges, as identified in Exhibit “B”;

124 (m) “Point(s) of Delivery” shall mean the location(s) established and revised
125 pursuant to Article 5(a) of this Contract , at which Level 2 Water Supplies of Project Water and
126 Incremental Level 4 Water Supplies are deemed to be delivered to the Contractor and at which the
127 Contractor shall assume the responsibility for the further control, carriage, handling, use, disposal or
128 distribution of such water supplies so long as such water supplies are being used in accordance with the
129 terms and conditions of this Contract;

130 (n) “Project” shall mean the Central Valley Project owned by the United States
131 and managed by the Department of the Interior, Bureau of Reclamation;

132 (o) "Project Water" shall mean all water that is developed, diverted, stored, or
133 delivered by the Secretary in accordance with the statutes authorizing the Central Valley Project and in
134 accordance with the terms and conditions of applicable water rights acquired pursuant to California
135 law;

136 (p) "Refuge(s)" shall mean the lands in the units of the National Wildlife Refuge
137 System in the Central Valley of California; Gray Lodge, Los Banos, Volta, North Grasslands and
138 Mendota state wildlife management areas; and the Grassland Resource Conservation District all
139 identified in the Refuge Water Supply Report and the land(s) identified in the San Joaquin Basin Action
140 Plan/Kesterson Mitigation Action Plan Report prepared by the Bureau of Reclamation as set forth in
141 Section 3406(d) of the CVPIA and/or as amended in accordance with subdivision (b) of this Article;

142 (q) "Refuge Water Supply Report" shall mean the report issued by the Mid-Pacific
143 Region of the Bureau of Reclamation of the United States Department of the Interior entitled "Report
144 on Refuge Water Supply Investigations, Central Valley Hydrologic Basin, California" (March 1989);

145 (r) "Secretary" shall mean the Secretary of the Interior, a duly appointed
146 successor, or an authorized representative acting pursuant to any authority of the Secretary through any
147 agency of the Department of the Interior;

148 (s) "Year" shall mean the period from and including March 1 of
149 each Calendar Year through the last day of February of the following Calendar Year;

150 TERM OF CONTRACT

151 2. (a) This contract shall be effective on March 1, 2001 and shall remain in effect
152 through February 28, 2026.

153 (b) Upon request by the Contractor, this Contract shall be renewed for successive periods
154 of twenty-five (25) years each, subject to the terms and conditions mutually agreeable to the parties.
155 The Contractor shall request renewal of the Contract at least two (2) years prior to the date on which
156 this Contract expires.

157 (c) So long as this Contract, or a renewal of this Contract pursuant to Article 2(b) of this
158 Contract, is in effect, the contracts referred to in the eighth Explanatory Recital of this Contract, shall be
159 suspended and shall be of no force or effect.

160 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

161 3. (a) During each Year, consistent with State water rights, permits and licenses,
162 federal law, and subject to the provisions set forth in Articles 8 and 9 of this Contract, the Contracting
163 Officer shall, at the established Point(s) of Delivery, make available and/or convey to the Contractor the
164 maximum quantities of Project Water and Non-Project Water, respectively, required to provide each
165 of the Refuges with the Level 2 Water Supplies set forth in Exhibit “B” and the Incremental Level 4
166 Water Supplies set forth in Exhibit “B”. The quantities of Level 2 Water Supplies and Incremental
167 Level 4 Water Supplies made available and/or conveyed to the Contractor shall be scheduled in
168 accordance with the provisions of Article 4 of this Contract; Provided, that in light of the fact that,
169 Section 3406(d)(2) of the CVPIA provides that the Incremental Level 4 Water Supplies shall be
170 acquired in cooperation with the State of California and in consultation with the Central Valley Habitat
171 Joint Venture and other interests in cumulating increments of not less than ten percent per annum, from

172 the date the CVPIA was enacted, through voluntary measures which include, but are not limited to,
173 water conservation, conjunctive use, purchase, lease, donations, or similar activities, or a combination
174 of such activities which do not require involuntary reallocation of Project yield, water being provided as
175 all or part of the Incremental Level 4 Water Supplies for each of the Refuges can be made available
176 only to the extent that the Contracting Officer is able to acquire the Incremental Level 4 Water Supplies
177 from willing sources; Accordingly, the Contracting Officer shall use his/her best efforts to acquire the
178 Incremental Level 4 Water Supplies and shall coordinate acquisitions of Level 4 Water Supplies with
179 acquisitions of Environmental Water Account (EWA) water pursuant to the Operating Principles
180 Agreement, dated August 28,2000 attached to the Record of Decision for the CALFED Bay-Delta
181 Program, dated August 28, 2000 and/or other acquisitions of water for environmental purposes to
182 ensure that acquisitions of Incremental Level 4 Water Supplies have a priority at least equal to
183 acquisitions of EWA and/or other environmental water each Year. The Contracting Officer also agrees
184 that the Interagency Refuge Management Team, created pursuant to Article 6 of this Contract, shall be
185 included among the interests consulted in acquiring Incremental Level 4 Water Supplies.

186 (b) Omitted from this Contract.

187 (c) The Contractor shall comply with requirements applicable to the Contractor in
188 biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract
189 undertaken pursuant to Section 7 of the Endangered Species Act of 1973, as amended, that are within
190 the Contractor's legal authority to implement. The Contractor shall comply with the limitations or
191 requirements imposed by environmental documentation applicable to the Contractor and within its legal
192 authority to implement. Nothing herein shall be construed to prevent the Contractor from challenging or

193 seeking judicial relief in a court of competent jurisdiction with respect to any Biological Opinion or other
194 environmental documentation referred to in this Article.

195 (d) The Contractor shall make reasonable and beneficial use of all Delivered
196 Water furnished pursuant to this Contract consistent with the wetland habitat water management plan(s)
197 described in Article 17 of this Contract.

198 (e) In order to maximize water available to Refuges and better manage such water,
199 the Contractor may request the Contracting Officer's permission to reschedule a portion of the Level 2
200 Water Supplies and/or a portion of the Incremental Level 4 Water Supplies made available to the
201 Contractor for use within the Contractor's Boundary during the current Year for use within the
202 subsequent Year. The Contracting Officer may permit such rescheduling in accordance with applicable
203 law, and the then-current applicable rescheduling guidelines and policies. Upon execution of this
204 Contract, the Contracting Officer shall have adopted amendments to any applicable rescheduling
205 guidelines and policies to provide for the rescheduling of refuge water in accordance with this Article.
206 After execution of this Contract and annually thereafter, the Contracting Officer shall provide the
207 Contractor with a copy of the then-current rescheduling guidelines and policies.

208 (f) The Contracting Officer shall not interfere with the Contractor's right pursuant
209 to Federal Reclamation law and applicable California law to the beneficial use of water furnished
210 pursuant to this Contract so long as the Contractor fulfills all of its obligations under this Contract. A
211 reduction in water supplies pursuant to Article 9 of this Contract shall not be deemed to constitute such
212 interference.

213 TIME FOR DELIVERY OF WATER

214 4. (a) On or about February 20 of each Calendar Year, the Contracting Officer shall
215 provide the Contractor, in writing, with a preliminary forecast of whether the upcoming Year will be a
216 Critically Dry Year; and, if a Critically Dry Year is forecast, the extent to which Level 2 Water Supplies
217 to be made available to the Contractor during the upcoming Year are to be shorted pursuant to Article
218 9 of this Contract; and the amount of Incremental Level 4 Water Supplies estimated to be made
219 available to the Contractor pursuant to this Contract for the upcoming Year. The forecast will be
220 updated monthly, as necessary, based on then-current hydrologic conditions. Upon the request of the
221 Contractor, the Contracting Officer shall make available to the Contractor the data on which the
222 Contracting Officer relied to determine whether the Year in question will or will not be a Critically Dry
223 Year and to determine the amounts of Level 2 Water Supplies and Incremental Level 4 Water Supplies
224 to be made available to the Contractor pursuant to this Contract during a Critically Dry Year.

225 (b) Based on the forecast(s) referred to in subdivision (a) of this Article, on or before
226 March 1 of each Calendar Year, the Contractor shall submit to the Contracting Officer a written
227 schedule, satisfactory to the Contracting Officer, showing both the monthly and annual quantities of
228 Level 2 Water Supplies and Incremental Level 4 Water Supplies to be delivered by the Contracting
229 Officer to each of the Refuges pursuant to this Contract. Each schedule shall be updated on a monthly
230 basis to reflect actual use and remaining estimated needs.

231 (c) In accordance with subdivision (a) of Article 3 of this Contract, the Contracting Officer
232 shall make available and/or convey Level 2 Water Supplies and Incremental Level 4 Water Supplies
233 for diversion by the Contractor at the Points of Delivery in accordance with the schedule submitted by
234 the Contractor pursuant to subdivision (b) of this Article, or any written revision(s) thereto, mutually

235 agreed to by the Contracting Officer and the Contractor which are submitted to the Contracting Officer
236 within a reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

237 POINT OF DIVERSION, MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION
238 OF WATER

239 5. (a) The original Point(s) of Delivery shall be established by written mutual
240 agreement of the Contractor and the Contracting Officer. Such Point(s) of Delivery may be revised
241 without amending this Contract upon written mutual agreement of the Contracting Officer and the
242 Contractor.

243 (b) All water delivered to the Contractor pursuant to this Contract is to be
244 measured at the Point(s) of Delivery to reflect the quantities of Level 2 Water Supplies and Incremental
245 Level 4 Water Supplies delivered to the Contractor's Boundary. Upon the request of the Contractor or
246 on the Contracting Officer's own initiative, the Contracting Officer shall investigate the accuracy of such
247 measurements and the parties will jointly take any necessary steps to adjust any errors appearing
248 therein. For any period of time when accurate measurement has not been made, the Contracting
249 Officer shall consult with the Contractor prior to making a determination of the quantity of Delivered
250 Water for that period of time. The Contractor shall advise the Contracting Officer on or before the 10th
251 calendar day of each month of the quantities of Level 2 Water Supplies and Incremental Level 4 Water
252 Supplies taken during the preceding month at the Point(s) of Delivery.

253 (c) The Contracting Officer shall not be responsible for the control, carriage,
254 handling, use, disposal, or distribution of water delivered to the Contractor pursuant to this Contract
255 beyond the Point(s) of Delivery specified in subdivision (a) of this Article.

POOLING OF WATER SUPPLIES

256
257 6. (a) Whenever the maximum quantities of Level 2 Water Supplies and/or the
258 Incremental Level 4 Water Supplies depicted in Exhibit “B” are reduced pursuant to Article 9 of this
259 Contract, the remaining Level 2 Water Supplies and/or the Incremental Level 4 Water Supplies may be
260 pooled for use on other Refuge(s); Provided, that no individual Refuge shall receive more Level 2
261 Water Supplies than would have been made available to it absent a reduction pursuant to Article 9 of
262 this Contract; or be reduced by more than twenty-five (25) percent; Provided further, that the
263 Contracting Officer makes a written determination that pooling of water for use on other Refuge(s)
264 would not have an adverse impact, that cannot be reasonably mitigated, on Project operations, other
265 Project Contractors, or other Project purposes; Provided further, that the Contracting Officer
266 determines that such reallocation is permitted under the terms and conditions of the applicable
267 underlying water right permit and/or license; and Provided still further, that water made available under
268 this contract may not be scheduled for delivery outside the Contractor’s Boundary without prior
269 written approval of the Contracting Officer.

270 (b) An Interagency Refuge Water Management Team, to be chaired by the Contracting
271 Officer and to be established upon execution of this Contract, shall be entitled to collaboratively
272 allocate the pooled water supplies and provide a schedule for delivery of the pooled supplies to meet
273 the highest priority needs of the Refuge(s) as depicted in Exhibit “B”; Provided, however, nothing in this
274 Article is intended to require the Contractor to pool the water supply provided for in this Contract. The
275 Interagency Refuge Water Management Team shall be composed of designees of the Bureau of
276 Reclamation, the United States Fish and Wildlife Service, the California Department of Fish and Game,

277 and the Grassland Water District.

278 TRANSFERS, REALLOCATIONS OR EXCHANGES OF WATER

279 7. Subject to the prior written approval of the Contracting Officer, the Project Water made
280 available under this Contract may be transferred, reallocated or exchanged in that Year to other
281 Refuge(s) or Project contractors if such transfer, reallocation or exchange is requested by the
282 Contractor and is authorized by applicable Federal and California State laws, and then-current
283 applicable guidelines or regulations.

284 TEMPORARY REDUCTIONS--RETURN FLOWS

285 8. (a) Consistent with the authorized purposes and priorities of the Project and the
286 requirements of Federal law, the Contracting Officer shall make all reasonable efforts to optimize water
287 deliveries to the Contractor as provided in this Contract.

288 (b) The quantity of water to be delivered to the Contractor as herein provided may
289 be temporarily discontinued or reduced when investigation, inspection, maintenance, repair, or
290 replacement of any of the Project facilities and/or Non-Project Facilities or any part thereof necessary
291 for the delivery of water to the Contractor is required. The Contracting Officer shall give and/or arrange
292 to have the owner/operator of Non-Project Facilities give the Contractor due written notice in advance
293 of such temporary discontinuance or reduction, except in case of an emergency, when no advance
294 notice is possible, in which case the Contracting Officer shall notify and/or arrange to have the
295 owner/operator of the Non-Project Facilities notify the Contractor of said discontinuance or reduction
296 as soon as is feasible; Provided, that the Contracting Officer shall use its best efforts to avoid any
297 discontinuance or reduction in such service. Upon resumption of service after such reduction or

298 discontinuance, and if requested by the Contractor, the Contracting Officer will make all reasonable
299 efforts, consistent with other obligations and operational constraints, to deliver the quantity of water
300 which would have been delivered hereunder in the absence of such discontinuance or reduction.

301 (c) The United States reserves the right to all seepage and return flow water
302 derived from Delivered Water which escapes or is discharged beyond the Contractor's Boundary;
303 Provided, that this shall not be construed as claiming for the United States any right to seepage or return
304 flow being put to beneficial use pursuant to this contract within the Contractor's Boundary by the
305 Contractor or those claiming by, through, or under the Contractor.

306 WATER SHORTAGE AND APPORTIONMENT

307 9. (a) In a Critically Dry Year, the Contracting Officer may temporarily reduce, for
308 that Year, the availability of Level 2 Water Supplies up to twenty-five (25) percent of the maximum
309 quantities set forth in Exhibit "B" whenever reductions due to Hydrologic Circumstances are imposed
310 upon agricultural deliveries of Project Water; Provided, that such reductions shall not exceed in
311 percentage terms the reductions imposed on agricultural service contractors. The quantity of Non-
312 Project Water available to one or more of the Refuges as part of its/their Level 2 Water Supplies may
313 be reduced by more than twenty-five (25) percent in Years when the quantity of Project Water made
314 available to the Contractor can be reduced by no more than twenty-five (25) percent. In such cases,
315 the Contracting Officer shall make up the supply difference with water supplies provided by the
316 Contracting Officer to ensure that Level 2 Water Supplies from all sources are not reduced by more
317 than twenty-five (25) percent.

318 (b) Reductions in the Level 2 Water Supplies to be made available to the individual

319 Refuge(s) pursuant to this Contract, shall be imposed only in a Critically Dry Year. For the Incremental
320 Level 4 Water Supplies provided from Non-Project Water and Project Water, reductions shall be
321 imposed in accordance with the priority or priorities that were applied to such Non-Project Water and
322 the shortages assigned to Project Water prior to its transfer or acquisition as Incremental Level 4 Water
323 Supplies.

324 RULES AND REGULATIONS

325 10. The parties agree that the delivery of water pursuant to this Contract is subject to
326 Federal Reclamation law, as may be amended and supplemented, as applicable, and the rules and
327 regulations promulgated by the Secretary of the Interior under Federal Reclamation law.

328 WATER AND AIR POLLUTION CONTROL

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

332 QUALITY OF WATER

333 12. (a) Consistent with other legal obligations, the water delivered by the Contracting
334 Officer to the Contractor pursuant to this Contract shall be of suitable quality to maintain and improve
335 wetland habitat areas and of comparable quality to water provided to other Project purposes within the
336 same geographical areas; Provided, that the Contracting Officer is under no obligation to construct or
337 furnish water treatment facilities to maintain or to improve the quality of the water furnished to the
338 Contractor pursuant to this contract. The quality of Delivered Water may be monitored by the
339 Contractor at the Point(s) of Delivery on an as needed basis. Should the Contracting Officer, in

340 consultation with the Contractor, determine that the Level 2 Water Supplies and/or the Level 4 Water
341 Supplies to be made available to the Contractor pursuant to this Contract during all or any part of a
342 Year will not be of the quality that the Contractor feels is suitable to maintain and improve wetland
343 habitat areas, the Contractor and the Contracting Officer shall meet within 48 hours or at a time
344 mutually agreeable to the parties and determine the appropriate actions necessary to identify and
345 address the source of the water quality problems.

346 (b) The operation and maintenance of Project facilities shall be performed in such
347 manner as is practicable to maintain the quality of raw water made available through such facilities at the
348 highest level reasonably attainable as determined by the Contracting Officer. The Contractor shall be
349 responsible for compliance with all State of California and Federal water quality standards and
350 directives applicable to surface return flows and subsurface agricultural drainage discharges generated
351 within its boundaries arising from water conveyed to the Refuges pursuant to this Contract. This
352 Contract does not create any obligation on the Contracting Officer to provide drainage services.

353 USE OF NON-PROJECT FACILITIES FOR WATER DELIVERY

354 13. Any use of Non-Project Facilities, including use of State Water Project facilities pursuant
355 to Joint Point of Diversion or other use of State Water Project facilities to deliver the water supplies
356 provided for in the Contract, or any agreement for the use of such Non-Project Facilities, shall in no
357 way alter the obligation of the Contracting Officer to make available and deliver water supplies in
358 accordance with all of the terms and conditions of this Contract. In addition, any costs incurred in the
359 use of Non-Project Facilities to deliver water supplies pursuant to this Contract shall be paid for in
360 accordance with Section 3406(d)(3) of the CVPIA.

361 OPINIONS AND DETERMINATIONS

362 14. (a) Where the terms of this Contract provide for actions to be based upon the
363 opinion or determination of either party to this Contract, said terms shall not be construed as permitting
364 such action to be predicated upon opinions or determinations that are arbitrary, capricious or
365 unreasonable. Both parties, notwithstanding any other provisions of this Contract, expressly reserve the
366 right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or unreasonable
367 opinion or determination. Each opinion or determination by either party shall be provided in a timely
368 manner. Nothing in this subdivision of this Article is intended to or shall affect or alter the standard of
369 judicial review applicable under federal law to any opinion or determination implementing a specific
370 provision of federal law embodied in statute or regulation.

371 (b) Both parties to this Contract shall have the right to make determinations
372 necessary to administer this Contract that are consistent with the provisions of this Contract, the laws of
373 the United States and of California, and the rules and regulations promulgated by the Secretary of the
374 Interior. Each party shall make such determinations in consultation with the other party to the extent
375 reasonably practicable.

376 EQUAL OPPORTUNITY

377 15. During the performance of this contract, the Contractor agrees as follows:

378 (a) The Contractor will not discriminate against any employee or applicant for
379 employment because of race, color, religion, sex, or national origin. The Contractor will take
380 affirmative action to ensure that applicants are employed, and that employees are treated during
381 employment, without regard to their race, color, religion, sex, or national origin. Such action shall
382 include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment
383 or recruitment advertising; layoff or termination, rates of payment or other forms of compensation; and
384 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places,

385 available to employees and applicants for employment, notices to be provided by the Contracting
386 Officer setting forth the provisions of this nondiscrimination clause.

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

390 (c) The Contractor will send to each labor union or representative of workers with
391 which it has a collective bargaining agreement or other contract or understanding, a notice, to be
392 provided by the Contracting Officer, advising the said labor union or workers' representative of the
393 Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and
394 shall post copies of the notice in conspicuous places available to employees and applicants for
395 employment.

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

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

404 (f) In the event of the Contractor's noncompliance with the nondiscrimination
405 clauses of this contract or with any of the said rules, regulations, or orders, this contract may be
406 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible
407 for further Government contracts in accordance with procedures authorized in said amended Executive
408 Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive
409 Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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

COMPLIANCE WITH CIVIL RIGHTS LAWS
AND REGULATIONS

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

426 (b) These statutes require that no person in the United States shall, on the grounds
427 of race, color, national origin, handicap, or age, be excluded from participation in, be denied the
428 benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial
429 assistance from the Bureau of Reclamation. By executing this contract, the Contractor agrees to
430 immediately take any measures necessary to implement this obligation, including permitting officials of
431 the United States to inspect premises, programs, and documents.

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

WATER CONSERVATION

439 17. (a) The Contractor shall prepare individual refuge wetland habitat water
440 management plan(s) in order to ensure the effective use of water supplies to meet wetland resource
441 needs and to meet the objectives of the Central Valley Habitat Joint Venture and the purposes of the
442 CVPIA to maintain and improve certain Central Valley wetland habitat areas. Criteria to prepare and
443 evaluate refuge wetland habitat water management plan(s) shall be developed by the Interagency
444 Refuge Water Management Team within one (1) year of the execution of this Contract, and reviewed
445 and updated every five (5) years thereafter taking into consideration the provisions of the Interagency
446 Coordinated Program Task Force report dated June 1998. The criteria shall include economically
447

448 feasible water management measures which can improve the Contractors' efficient use of water in a
449 manner appropriate for wetland and wildlife management, and shall also include time schedules for
450 meeting the water use efficiency and conservation objectives. The criteria shall grant substantial
451 deference to on-going state efforts related to wetlands water management and shall take into account
452 the unique requirements associated with water use for the maintenance and enhancement of wetland
453 and wildlife habitat. The Contractor shall make all reasonable efforts, consistent with appropriate
454 limitations recognized in Article 19 of this Contract, to complete the original wetland habitat water
455 management plan(s) within one (1) year of the establishment of the criteria. The Contracting Officer will
456 review and determine if the wetland habitat water management plan(s) meet the established criteria for
457 evaluating said plan within ninety (90) days of receipt of each plan.

458 (b) Prior to the Contractor being afforded opportunities such as pooling
459 and rescheduling of water supplies pursuant to Articles 3 and 6 of this Contract, the Contractor must
460 be implementing a wetland habitat water management plan that has been determined by the Contracting
461 Officer to meet the established criteria developed pursuant to subdivision (a) of this Article for
462 preparing and evaluating said plan. Continued pooling and rescheduling benefits pursuant to Articles 3
463 and 6 of this Contract shall be contingent upon the Contractor's continued implementation of such
464 wetland habitat water management plans. In the event the Contracting Officer determines the
465 Contractor is unable to implement its wetland habitat water management plan, due to circumstances
466 beyond its control, the pooling and rescheduling benefits of Articles 3 and 6 of this Contract shall be
467 continued so long as the Contractor diligently works with the Contracting Officer to obtain such
468 determination at the earliest practicable date and thereafter the Contractor begins implementing its

469 wetland habitat water management plan immediately after the circumstances preventing implementation
470 have ceased.

471 (c) In the event that implementation of the wetland habitat water management
472 plan(s) prepared pursuant to subdivision (a) of this Article results in water savings, all conserved water
473 supplies may be transferred/reallocated, under the terms and conditions of this Contract, to other
474 wetland, wildlife and fishery needs or to other Project contractors in accordance with the
475 recommendations of the Interagency Refuge Water Management Team established pursuant to Article
476 6 of this Contract; Provided, that the Contracting Officer makes a written determination that such
477 transfer/reallocation of conserved water would not have an adverse impact, that cannot be reasonably
478 mitigated, on Project operations, other Project contractors or other Project purposes; Provided further,
479 that the transfer/reallocation is requested by the Contractor and the Contracting Officer determines that
480 the transfer/reallocation is authorized by applicable laws, and then-current applicable guidelines and/or
481 regulations.

482 (d) The Contractor shall submit to the Contracting Officer an annual update on the
483 status of its implementation of the wetland habitat water management plan(s) for the previous Water
484 Year.

485 (e) At five (5) year intervals, the Contractor shall revise its wetland habitat water
486 management plan(s), as necessary, to reflect the then-current criteria for preparing and evaluating said
487 plans and submit such revised plan(s). Upon completion of such revised plan(s), the Contractor shall
488 submit such revised plan(s) to the Contracting Officer for review and so the Contracting Officer can
489 determine whether such plan(s) meet the then-current criteria.

490 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

491 18. Except as provided in subdivision (b) of Article 3, the exercise of existing water rights by
492 the Contractor, or its acquisition of additional water or water rights from other than the United States,
493 shall not alter the obligation of the Contracting Officer to provide the maximum quantities of Level 2
494 Water Supplies and Incremental Level 4 Water Supplies under subdivision (a) of Article 3 of this
495 Contract.

496 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

497 19. The expenditure or advance of any money or the performance of any obligation of the
498 United States under this contract shall be contingent upon appropriation or allotment of funds. Absence
499 of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this
500 contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

501 BOOKS, RECORDS, AND REPORTS

502 20. (a) The Contractor shall establish and maintain accounts and other books and
503 records pertaining to administration of the terms and conditions of this contract, including: the
504 Contractor's financial transactions, water supply data, and right-of-way agreements; and other matters
505 that the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer
506 in such form and on such date or dates as the Contracting Officer may require. Subject to applicable
507 Federal laws and regulations, each party to this contract shall have the right during office hours to
508 examine and make copies of the other party's books and records relating to matters covered by this
509 contract.

510 (b) Notwithstanding the provisions of subdivision (a) of this Article, no books, records, or
511 other information shall be requested from the Contractor by the Contracting Officer unless such books,
512 records, or information are reasonably related to the administration or performance of this Contract.
513 Any such request shall allow the Contractor a reasonable period of time within which to provide the

514 requested books, records, or information.

515 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

516 21. (a) The provisions of this contract shall apply to and bind the successors and
517 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein
518 shall be valid until approved in writing by the Contracting Officer.

519 (b) The assignment of any right or interest in this contract by either party shall not
520 interfere with the rights or obligations of the other party to this contract absent the written concurrence
521 of said other party.

522 (c) The Contracting Officer shall not unreasonably condition or withhold his/her
523 approval of any proposed assignment.

524 LIABILITY

525 22. (a) The Contractor shall not assert that the United States, its officers, agents and
526 employees are responsible for legal liability for damages of any nature whatsoever arising out of any
527 actions or omissions by the Contractor, its officers, agents and employees in the performance of this
528 Contract.

529 (b) The United States shall not assert that the Contractor, its officers, agents and
530 employees are responsible for legal liability for damages of any nature whatsoever arising out of any
531 actions or omissions by the United States, its officers, agents and employees in the performance of this
532 Contract.

533 (c) Within thirty (30) days of receipt by either party of any claim for liability arising
534 from actions within the scope of this Contract, the party receiving the claim shall notify the other party
535 of such claim and provide a copy of the claim to the other party, if it is in written form. Nothing in this

536 Article shall be construed to limit the right of either party to assert such affirmative defenses and file
537 such cross complaints as may be appropriate in relation to any claim affecting the liability of such party.

538 OFFICIALS NOT TO BENEFIT

539 23. No Member of or Delegate to Congress, Resident Commissioner, or official of the
540 Contractor shall benefit from this contract.

541 CERTIFICATION OF NONSEGREGATED FACILITIES

542 24. The Contractor hereby certifies that it does not maintain or provide for its employees
543 any segregated facilities at any of its establishments, and that it does not permit its employees to
544 perform their services at any location, under its control, where segregated facilities are maintained. It
545 certifies further that it will not maintain or provide for its employees any segregated facilities at any of its
546 establishments, and that it will not permit its employees to perform their services at any location, under
547 its control, where segregated facilities are maintained. The Contractor agrees that a breach of this
548 certification is a violation of the Equal Opportunity clause in this contract. As used in this certification,
549 the term "segregated facilities" means any waiting rooms, work areas, restrooms, and washrooms,
550 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
551 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities
552 provided for employees which are segregated by explicit directive or are in fact segregated on the basis
553 of race, creed, color, or national origin, because of habit, local custom, or otherwise. The Contractor
554 further agrees that (except where it has obtained identical certifications from proposed subcontractors
555 for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the
556 award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal
557 Opportunity clause; that it will retain such certifications in its files; and that it will forward the following
558 notice to such proposed subcontractors (except where the proposed subcontractors have submitted
559 identical certifications for specific periods):

560 FEDERAL LAWS

561 25. By entering into this Contract, the Contractor does not waive its rights to contest the
562 validity or application of, or compliance with, any federal law or regulation in connection with the
563 performance of the terms and conditions of this Contract , nor does the Contractor waive any rights it

564 may have to seek enforcement of obligations of the Secretary to provide water supplies to the
565 Contractor under federal law independent of this Contract; Provided, that the Contractor agrees to
566 comply with the terms and conditions of this Contract unless and until relief from or compliance with
567 application of such Federal law or regulation to the implementing provision of the Contract is granted by
568 a court of competent jurisdiction.

569

NOTICES

570 26. Any notice, demand, or request authorized or required by this contract shall be deemed
571 to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the
572 Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA 97321-1813, and
573 on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors of
574 the Grassland Water District, 22759 South Mercey Springs Road, Los Banos CA 93635. The
575 designation of the addressee or the address may be changed by notice given in the same manner as
576 provided in this Article for other notices.

577 IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and
578 year first above written.

579 THE UNITED STATES OF AMERICA

580 By: /s/ Lester Snow
581 APPROVED AS LEGAL Regional Director, Mid-Pacific Region
582 FORM AND SUFFICIENCY Bureau of Reclamation

583 /s/ James E. Turner
584 OFFICE OF REGIONAL SOLICITOR
585 DEPARTMENT OF THE INTERIOR

586 (SEAL) GRASSLAND WATER DISTRICT

587 By: /s/ Pepper Snyder
588 President

589 Attest

590 By: /s/ Don Marciochi
591 Secretary