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

CONTRACT BETWEEN THE UNITED STATES
AND
SACRAMENTO COUNTY WATER AGENCY
PROVIDING FOR PROJECT WATER SERVICE
AND FACILITIES REPAYMENT

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1 THIS CONTRACT, made this 28TH day of FEBRUARY, 20 20, in pursuance
2 generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
3 thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and
4 supplemented; August 4, 1939 (53 Stat. 1187), as amended and supplemented; June 21, 1963 (77
5 Stat. 68); October 12, 1982 (96 Stat. 1262), as amended; November 5, 1990 (104 Stat. 2074),
6 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), as amended, and the Water
7 Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628), Section 4011
8 (a-d) and (f) ("WIIN Act"), all collectively hereinafter referred to as the Federal Reclamation law
9 between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States,
10 represented by the officer executing this Contract, hereinafter referred to as the Contracting
11 Officer, and SACRAMENTO COUNTY WATER AGENCY, hereinafter referred to as the
12 Contractor, a public agency of the State of California, duly organized, existing, and acting
13 pursuant to the laws thereof, with its principal place of business in Sacramento, California;

14 WITNESSETH, That:

15 EXPLANATORY RECITALS

16 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
17 Project, California, for diversion, storage, carriage, and distribution of waters of the
18 Sacramento,

American, Trinity, and San Joaquin Rivers and their tributaries for flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and other beneficial uses; and

[2nd] WHEREAS, the United States constructed Folsom Dam and Reservoir and appurtenant facilities, hereinafter collectively referred to as the Project facilities, which will be used in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

[3rd] WHEREAS, Section 206(b) of P. L. 101-514 (104 Stat. 2074) authorized and directed the Secretary of the Interior to enter into a municipal and industrial (M&I) water supply contract with the Contractor, not to exceed 22,000 acre-feet annually, to meet the immediate needs of Sacramento County, and as the first phase of a contracting program to meet the long-term water supply needs of Sacramento County; and

[4th] WHEREAS, Section 206(b) of P. L. 101-514 provided that annual quantities delivered under that contract will be determined by the Contracting Officer based upon the quantity of water actually needed in the Sacramento County Water Agency service area, after considering factors specified in the statute; and

[5th] WHEREAS, Section 203 of P. L. 108-137 subsequently deleted the requirement imposed by Section 206(b) of P. L. 101-514, and eliminated the need for the Contracting Officer to determine the water needs in the Sacramento County Water Agency service area and quantities of water to be delivered on an annual basis; and

[6th] WHEREAS, Section 206(b) of P.L. 101-514 specified that the contracts entered into pursuant to that section were exempt from the general prohibition on new Central Valley

42 Project contracts contained in Section 3404 of the Central Valley Project Improvement Act
43 (CVPIA); and

44 [7th] WHEREAS, on April 8, 1999, the United States and Contractor entered into a
45 long-term water service contract identified as Contract No. 6-07-20-W1372 ("Existing
46 Contract"), to provide the Contractor with Project Water through April 8, 2024, and which was
47 in effect on the date the WIIN Act was enacted; and

48 [8th] WHEREAS, on December 21, 2016, the United States, the Contractor and the
49 City of Folsom executed a partial assignment of the Existing Contract whereby the Contractor
50 assigned, and the City of Folsom accepted, the rights to and obligations for 7,000 acre-feet of
51 Project Water contained in the Existing Contract; and

52 [9th] WHEREAS, on December 16, 2016, the 114th Congress of the United States of
53 America enacted the WIIN Act; and

54 [10th] WHEREAS, WIIN Act, Section 4011(a)(1) provides that "upon request of the
55 contractor, the Secretary of the Interior shall convert any water service contract in effect on the
56 date of enactment of this subtitle and between the United States and a water users' association
57 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
58 mutually agreeable terms and conditions."; and

59 [11th] WHEREAS, WIIN Act, Section 4011(a)(1) further provides that "the manner of
60 conversion under this paragraph shall be as follows: (A) Water service contracts that were
61 entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under
62 this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat.
63 1195)"; and "(B) Water service contracts that were entered under subsection (c)(2) of section 9

of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be converted to a contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195)."; and

[12th] WHEREAS, WIIN Act, Section 4011(a)(4)(C) further provides all contracts entered into pursuant to WIIN Act, Section 4011(a)(1), (2), and (3) shall "not modify other water service, repayment, exchange and transfer contractual rights between the water users' association [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the water users' association [Contractor] and their landowners as provided under State law."; and

[13th] WHEREAS, WIIN Act, Section 4011(d)(3) and (4) provides that "implementation of the provisions of this subtitle shall not alter... (3) the priority of a water service or repayment contractor to receive water; or (4) except as expressly provided in this section, any obligations under the reclamation law, including the continuation of Restoration Fund charges pursuant to section 3407(d) (Public Law 102-575), of the water service and repayment contractors making prepayments pursuant to this section."; and

[14th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the Secretary to convert municipal and industrial (M&I) water service contracts into repayment contracts, amend existing repayment contracts, and allow contractors to prepay their construction cost obligations pursuant to applicable Federal Reclamation law; and

[15th] WHEREAS, the Contracting Officer and the Contractor agree to amend and convert the Existing Contract pursuant to Section 4011 of the WIIN Act and other Federal Reclamation law on the terms and conditions set forth below in this Contract; and

[16th] WHEREAS, the Contracting Officer and the Contractor agree that this Contract complies with Section 4011 of the WIIN Act; and

[17th] WHEREAS, the Contracting Officer has determined that the Contractor has the capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable and beneficial use for, the quantity of Project Water to be made available to it pursuant to this Contract.

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

DEFINITIONS

1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent hereof, the term:

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

(b) "Charges" shall mean the payments required by Federal Reclamation law in addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually by the Contracting Officer, pursuant to this Contract;

(c) "Contract Use Area" shall mean the area to which the Contractor is permitted, subject to Article 5(c), to provide Project Water obtained under this Contract. As of the date of this Contract, the Contract Use Area is the area identified in Exhibit B as "Zone 40" and "Zone 40 Expansion Area". The Contract Use Area may be revised by the Contractor without amending this Contract if such revisions are approved in writing by the Contracting Officer;

(d) "Contractor's Service Area" shall mean all areas or locations within the Contract Use Area that receive surface water service or commingled ground water and surface water service from the Contractor. For the purposes of subdivisions (b)(1) and (b)(2) of Article 3,

109 the Contractor's Service Area shall include any area or location at which the Contractor intends
110 to provide surface water service or commingled ground water and surface water service in a
111 Year for which a determination under subdivisions (b)(1) or (b)(2) of Article 3 is made;

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

114 (f) Omitted;

115 (g) "Delivered Water" or "Water Delivered" shall mean Project Water made
116 available to the Contractor and diverted at the point(s) of delivery approved by the Contracting
117 Officer;

118 (h) "Municipal and Industrial Water" (M&I Water) shall mean the use of
119 Project Water for municipal, industrial, and miscellaneous other purposes not falling under the
120 definition of Irrigation Water or within another category of water use under an applicable Federal
121 authority.

122 Water uses established before March 1, 2020 and known to the Contracting Officer and the
123 Contractor are deemed to be authorized uses of M&I Water;

124 (i) "M&I Full Cost Rate" shall mean the annual rate, which as determined by
125 the Secretary, shall amortize the expenditures for construction allocable to Project M&I facilities
126 in service, including all operation and maintenance (O&M), O&M deficits funded, less payments,
127 over such periods as may be required under Federal Reclamation law or applicable contract
128 provisions, with interest on both accruing from the dates such costs were first incurred plus the
129 applicable rate for the O&M of such Project facilities;

130 (j) "O&M" shall mean normal and reasonable care, control, operation, repair,
131 replacement, and maintenance of Project facilities;

132 (k) "Operating Non-Federal Entity" shall mean a Non-Federal entity which
133 has the obligation to operate and maintain all or that portion of the American River Division

134 facilities utilized for delivery of Project Water to the Contractor pursuant to an agreement with
135 the United States;

136 (l) "Project" shall mean the Central Valley Project owned by the United
137 States and operated by the Department of the Interior, Bureau of Reclamation;

138 (m) "Project Water" shall mean all water that is developed, diverted, stored, or
139 delivered by the United States in accordance with the statutes authorizing the Project and in
140 accordance with the terms and conditions of applicable water rights' permits and licenses
141 acquired by and/or issued to the United States pursuant to California law;

142 (n) "Rates" shall mean the payments determined annually by the Contracting
143 Officer in accordance with the then current applicable water rate setting policies for the Project;

144 (o) "Secretary" or "Contracting Officer" shall mean the Secretary of the
145 United States Department of the Interior or his duly authorized representative;

146 (p) Omitted;

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

149 (r) "Irrigation Water" shall mean the use of Project Water to irrigate land
150 primarily for the production of commercial agricultural crops or livestock, and domestic and
151 other uses that are incidental thereto;

152 (s) "Additional Capital Obligation" shall mean construction costs or other
153 capitalized costs incurred after March 1, 2020 or not reflected in the Existing Capital Obligation
154 as defined herein and in accordance with WIIN Act, Section 4011, subsection (a)(3)(B);

155 (t) "Existing Capital Obligation" shall mean the remaining amount of
156 construction costs or other capitalized costs allocable to the Contractor as described in Section
157 4011, subsection (a)(3)(A) of the WIIN Act, and as identified in the Central Valley Project

158 Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively, in the Final
159 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The Contracting
160 Officer has computed the Existing Capital Obligation and such amount is set forth in Exhibit C,
161 which is incorporated herein by reference;

162 (u) "Repayment Obligation" shall mean the amount due and payable to the
163 United States, pursuant to Section 4011(a)(3)(A) of the WIIN Act;

164 (v) "Condition of Shortage" shall mean a condition respecting the Project
165 during any Year such that the Contracting Officer is unable to deliver sufficient water to meet the
166 Contract Total;

167 (w) "Contract Total" shall mean the maximum amount of water to which the
168 Contractor is entitled under subdivision (a) of Article 3 of this Contract;

169 (x) "Water Made Available" shall mean the estimated amount of Project
170 Water that can be delivered to the Contractor for the upcoming Year as declared by the
171 Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

172 (y) "Project Contractors" shall mean all parties who have contracts for water
173 service for Project Water from the Project with the United States pursuant to Federal
174 Reclamation law; and (z) "Tiered Pricing Component" shall be the

175 incremental amount to be paid for each acre-foot of Water Delivered as described in subdivision
176 (c) of Article 7 of this Contract.

177 TERM OF CONTRACT – RIGHT TO USE WATER

178 2. (a) This Contract shall be effective as of March 1, 2020 ("Effective Date")
179 and shall continue so long as the Contractor pays applicable Rates and Charges under this

180 Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as
181 applicable, and applicable law;

182 (1) Provided, That the Contracting Officer shall not seek to terminate
183 this Contract for failure to fully or timely pay applicable Rates and Charges by the Contactor,
184 unless the Contracting Officer has first provided at least sixty (60) calendar days written notice
185 to the Contractor of such failure to pay and Contractor has failed to cure such failure to pay, or to
186 diligently commence and maintain full curative payments satisfactory to the Contracting Officer
187 within the sixty (60) calendar days' notice period;

188 (2) Provided further, That the Contracting Officer shall not seek to
189 suspend making water available or declaring Water Made Available pursuant to this Contract for
190 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the
191 Contracting Officer has first provided at least thirty (30) calendar days written notice to the
192 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence
193 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully
194 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has
195 suspended making water available pursuant to this paragraph, upon cure of such noncompliance
196 satisfactory to the Contracting Officer, the Contracting Officer shall resume making water
197 available and declaring Water Made Available pursuant to this Contract;

198 (3) Provided further, That this Contract may be terminated at any time
199 by mutual consent of the parties hereto.

200 (b) Upon complete payment of the Repayment Obligation by the Contractor,
201 and notwithstanding any Additional Capital Obligation that may later be established, the acreage

limitations, reporting, and the Full Cost pricing provisions of the Reclamation Reform Act of 1982 shall no longer be applicable to the Contractor pursuant to this Contract.

(c) Omitted.

(d) Notwithstanding any provision of this Contract, the Contractor reserves and shall have all rights and benefits, under the Act of June 21, 1963 (77.Stat. 68), to the extent allowed by law.

WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

3. (a) Subject to the provisions set forth in Articles 3(b), 5(c), 11, and 12 hereof, and consistent with applicable State water rights, permits, and licenses, the Contractor is entitled to, and the Contracting Officer shall be obligated to make available to the Contractor up to 15,000 acre-feet of Project Water during any Year for municipal and industrial uses in the Contract Use Area. The quantity of Project Water delivered to the Contractor in accordance with subdivision (a) of this Article in any Year shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 hereof, and shall not exceed the quantity of Project Water the Contractor intends to put to reasonable beneficial use within the Contract Use Area, or sold, transferred, or exchanged, subject to Article 9, during any Year.

(b) (1) Notwithstanding the provisions of subdivision (a) of this Article, as provided in Section 206(b)(1) of P. L. 101-514, the Contracting Officer shall determine, and annual quantities of water delivered under this Contract shall be based upon, the quantity of water actually needed within the Contractor's Service Area, after considering reasonable efforts to: (i) promote full utilization of existing water entitlements within Sacramento County; (ii) implement water conservation and metering programs within the area served by the Contract; and (iii) implement programs to maximize to the extent feasible conjunctive use of surface water

225 and ground water. The Contracting Officer has reviewed the Final Needs Assessment Pertaining
226 to the Sacramento County Water Agency EIS/EIR for Water Supply Contracts under P. L. 101-
227 514 Section 206 (Beak Consultants, Inc., January 1995) (Needs Analysis) and based on that
228 analysis agrees (after considering reasonable efforts to: promote full utilization of existing
229 entitlements within Sacramento County; implement water conservation and metering programs
230 within the area served by the Contract; and implement programs to maximize to the extent
231 feasible the conjunctive use of surface water and ground water) that the quantity of water
232 actually needed by the Contractor within the Contract Use Area exceeds 15,000 acre-feet per
233 annum, although scheduled deliveries may be less than this amount until facilities are completed
234 . The Contractor shall, on or before November 1 of each Year or such other date as the
235 Contractor and Contracting Officer may agree, notify the Contracting Officer of the quantity of
236 water the Contractor believes will actually be needed in the Contractor's Service Area in the
237 succeeding Year. Except as provided in subdivision (b)(2) of this Article, the notice shall be
238 accompanied by an analysis sufficient to demonstrate the basis for the Contractor's notification.
239 The Needs Analysis is sufficient to demonstrate the basis for notification with respect to at least
240 15,000 acre-feet of water. The Contracting Officer shall review the analysis provided by the
241 Contractor based on any lawful M&I water needs criteria that are then being applied to all CVP
242 M&I contracts. The Contracting Officer shall notify the Contractor in writing of the Contracting
243 Officer's determination of the quantity of water actually needed within the Contractor's Service
244 Area for the following Year. If the determination is that the quantity actually needed is less than
245 the amount identified in the Contractor's notice, the notice of determination from the Contracting
246 Officer shall explain in detail the basis for the Contracting Officer's determination. If the
247 Contracting Officer's written determination is not made within sixty (60) days after the receipt of

the notice, the Contractor may schedule the quantity of water specified in the notice subject to the quantity of Project Water available pursuant to Articles 3(a), 4(a), 11, and 12.

(2) If the amount of water specified in the notice provided by the Contractor under subdivision (b)(1) of this Article is less than or equal to the amount determined by the Contracting Officer to have been actually needed for a Year prior to the Year for which the notice is submitted, the Contracting Officer's determination shall be deemed to equal the amount specified in the notice: Provided, That if within twenty (20) days of the receipt of the said notice, the Contracting Officer notifies the Contractor in writing that the Contracting Officer has determined that substantial changes in circumstances require the submittal of additional information by the Contractor and explains in detail the basis for such determination, the Contractor shall submit the additional information within thirty (30) days or other agreed period, and the procedures in subdivision (b)(1) of this Article apply.

(3) Omitted.

(c) Contractor's compliance with Articles 6 and 23 shall be deemed conclusively to constitute reasonable efforts to implement metering and conservation programs, respectively, within the Contractor's Service Area.

(d) The Contractor shall utilize the Project Water made available to it pursuant to this Contract in accordance with all applicable requirements of any Biological Opinion addressing the execution of this Contract developed pursuant to Section 7 of the Endangered Species Act of 1973 as amended, and in accordance with environmental documentation as may be required for specific activities.

(e) The Contractor shall make reasonable and beneficial use of Project Water or other water furnished pursuant to this Contract. Use of Project Water in a ground-water

271 recharge program shall be permitted under this Contract to the extent that it is recognized as a
272 reasonable and beneficial use of water under California law and is otherwise carried out in
273 accordance with California law.

274 (f) If the Contracting Officer determines that Project Water, or other water
275 available to the Project, can be made available to the Contractor in addition to the quantity of
276 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
277 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any
278 quantity of such water, the Contracting Officer shall make such water available to the Contractor
279 in accordance with applicable statutes, regulations, guidelines, and policies.

280 (g) If the Contractor requests permission to reschedule for use during the
281 subsequent Year some or all of the Project Water made available to the Contractor during the
282 current Year or to use, during the current Year, that quantity of Project Water the United States
283 has agreed to make available to the Contractor during the subsequent Year, the Contracting
284 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and
285 policies.

286 (h) The Contractor's right pursuant to Federal Reclamation law and applicable
287 State law to the reasonable and beneficial use of the Water Delivered pursuant to this Contract
288 shall not be disturbed, and this Contract shall continue so long as the Contractor pays applicable
289 Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of
290 August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding
291 sentence shall affect the Contracting Officer's ability to impose shortages under Article 11 or
292 subdivision (b) of Article 12 of this Contract.

(i) Notwithstanding subdivision (a) of this Article, Project Water furnished to the Contractor pursuant to this Contract may be delivered for purposes other than for municipal and industrial purposes upon written approval by the Contracting Officer in accordance with the terms and conditions of such approval.

TIME FOR DELIVERY OF WATER

4. (a) On or about February 15, of each Calendar Year, the Contracting Officer shall declare the amount of Project Water estimated to be made available to the Contractor pursuant to this Contract for the upcoming Year. The declaration will be updated monthly, as necessary, based on current hydrologic conditions. The Contracting Officer shall make available the forecast of Project operations, with relevant supporting information, upon the written request of the Contractor or its representatives. Upon written request of the Contractor, the Contracting Officer shall provide the basis of the estimate which shall include, but not be limited to, the projected carryover of Project reservoirs, projected CVPIA impacts, projected Endangered Species Act impacts, and all other regulatory impacts.

(b) On or before each March 1, the Contractor shall submit to the Contracting Officer and at such other times as necessary, a written schedule, satisfactory to the Contracting Officer, showing the times and the estimated quantities of Project Water to be delivered by the United States to the Contractor.

(c) Subject to the conditions set forth in subdivision (a) of Article 3, the United States shall deliver Project Water to the Contractor in accordance with the initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any revision(s) thereto submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

POINT OF DELIVERY AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

5. (a) Project Water shall be made available to the Contractor, at the Contractor's option: (i) at the intake for the Sacramento River Water Treatment Plant owned by the City of Sacramento; (ii) at an intake on the Sacramento River at river mile 46.5; (iii) at an intake on the American River at river mile 0.4, located on assessor's parcel 001-0181-001-0000 owned by the Contractor; or (iv) without amending this Contract, at another location approved in writing by the Contracting Officer.

(b) The Contracting Officer shall make all reasonable efforts to maintain sufficient flows to the authorized points of delivery to allow the Contractor to meet the demands of the Contractor's customers.

(c) The parties acknowledge that the points of delivery identified in subdivisions (a)(i), (ii), and (iii) of this article were not, as of the date of the Existing Contract included as authorized points of diversion and redirection under the water rights for the Project, and that portions of the Contract Use Area were also, not as of the date of the Contract within the place of use under the water rights for the Project. Project Water shall not be delivered from such points or to such lands unless and until such points are added to the water rights permits for the Project and such lands are included within the authorized place of use under the water rights for the Project. The parties also acknowledge that the Contracting Officer has petitioned the State Water Resources Control Board to include the necessary points of diversion and redirection, and all of the Contract Use Area within the authorized place of use, and that the Contractor shall cooperate with and assist the Contracting Officer in prosecuting such petition to conclusion as soon as feasible.

338 (d) Project Water delivered to the Contractor pursuant to this Contract, and
339 other water to which the Contractor is entitled that is diverted at the same point of delivery, shall
340 be measured and recorded with equipment furnished, installed, operated, and maintained by the
341 Contractor at the point or points of delivery established pursuant to subdivision (a) of this
342 Article. Provided, That if the Project Water delivered pursuant to this Contract is diverted at a
343 location or in a manner so as to be commingled with water diverted by any other entity, the point
344 of measurement for Project Water delivered to the Contractor shall be a location at which Project
345 Water diverted for Contractor's use can be measured separately from water diverted by any such
346 entity or entities. Upon the request of the Contracting Officer or the responsible Operating Non-
347 Federal Entity, the Contractor shall investigate the accuracy of such measurements and shall take
348 any necessary steps to adjust any errors appearing therein.

349 (e) The Contractor shall advise the Contracting Officer on or before the tenth
350 calendar day of each month of the daily quantities of Delivered Water taken during the preceding
351 month measured and recorded in accordance with subdivision (d) of this Article.

352 (f) Neither the United States nor any Operating Non-Federal Entity shall be
353 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water
354 made available to the Contractor pursuant to this Contract beyond the delivery points specified in
355 subdivision (a) of this Article. The Contractor shall indemnify the United States its officers,
356 employees, agents, and assigns on account of damage or claim of damage of any nature
357 whatsoever for which there is legal responsibility, including property damage, personal injury, or
358 death arising out of or connected with the control, carriage, handling, use, disposal, or
359 distribution of such Project Water beyond such delivery points, except for any damage or claim
360 arising out of (i) acts performed by the United States or any of its officers, employees, agents, or

assigns, including any responsible Operating Non-Federal Entity, with the intent of creating the situation resulting in any damage or claim; (ii) willful misconduct of the United States or any of its officers, employees, agents, or assigns, including any responsible Operating Non-Federal Entity; or (iii) negligence of the United States or any of its officers, employees, agents, or assigns, including any responsible Operating Non-Federal Entity.

MEASUREMENT OF WATER

6. (a) The Contractor shall ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the Contracting Officer, all surface water delivered for municipal and industrial purposes within the Contractor's Service Area is measured at each municipal and industrial service connection. All water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall use the information obtained from such water measuring devices or water measuring methods to ensure proper management of the water; to bill water users for water delivered by the Contractor; and, if applicable, to record water delivered for municipal and industrial purposes by customer class as defined in its water conservation plan. Nothing herein contained, however, shall preclude the Contractor from establishing and collecting any charges, assessments, or other revenues authorized by California law. The Contractor shall include a summary of its annual surface water deliveries in the annual report described in subdivision (c) of Article 23.

(b) To the extent the information has not otherwise been provided, upon execution of this Contract, the Contractor shall provide to the Contracting Officer a written

report describing the measurement devices or water measuring methods used or to be used to implement subdivision (a) of this Article and identifying the municipal and industrial service connections or alternative measurement programs approved by the Contracting Officer, at which such measurement devices or water measuring methods are being used, and, if applicable, identifying the locations at which such devices and/or methods are not yet being used including a time schedule for implementation at such locations. The Contracting Officer shall advise the Contractor in writing within ninety (90) days as to the adequacy of, and necessary modifications, if any, of the measuring devices or water measuring methods identified in the Contractor's report and if the Contracting Officer does not respond in such time, they shall be deemed adequate. Within six (6) months following the Contracting Officer's response, the parties shall negotiate in good faith the earliest practicable date by which the Contractor shall modify said measuring devices and/or measuring methods as required by the Contracting Officer to ensure compliance with subdivision (a) of this Article.

(c) All new surface water delivery systems installed within the Contractor's Service Area after the effective date of this Contract shall also comply with the measurement provisions described in subdivision (a) of this Article.

(d) The Contractor shall inform the Contracting Officer and the State of California in writing by April 30 of each Year of the monthly volume of surface water delivered within the Contractor's Service Area during the previous Year.

RATES, METHOD OF PAYMENT FOR WATER
AND ACCELERATED REPAYMENT OF FACILITIES

7. (a) Notwithstanding the Contractor's full prepayment of the Repayment Obligation pursuant to Section 4011, subsection (a)(3)(A) of the WIIN Act, as set forth in Exhibit C, and any payments required pursuant to Section 4011, subsection (b) of the WIIN Act,

to reflect the adjustment for the final cost allocation as described in this Article, subsection (b), the Contractor's Project construction and other cost obligations shall be determined in accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent with the WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract. Payments shall be made by cash transaction, electronic funds transfers, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon execution of this Contract are set forth in Exhibit "A," as may be revised annually.

(1) The Contractor shall pay the United States as provided for in this Article of this Contract for all Delivered Water at the applicable Rates, Charges, and Tiered Pricing Component in accordance with policies for M&I Water. The Contractor's Rates shall be established to recover its estimated reimbursable costs included in the operation & maintenance component of the Rate and amounts established to recover deficits and other charges, if any, including construction costs as identified in the following subdivisions.

(2) In accordance with the WIIN Act, the Contractor's allocable share of Project construction costs will be repaid pursuant to the provisions of this Contract.

(A) The amount due and payable to the United States, pursuant to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth as a lump sum payment as set forth in Exhibit C. The Repayment Obligation is due in lump sum

431 within 60 days of the effective date of this Contract as provided by the WIIN Act.

432 Notwithstanding any Additional Capital Obligation that may later be established, receipt of the
433 Contractor's payment of the Repayment Obligation to the United States shall fully and
434 permanently satisfy the Existing Capital Obligation.

435 (B) Additional Capital Obligations that are not reflected in the
436 schedules referenced in Exhibit C and are properly assignable to the Contractor shall be repaid as
437 prescribed by the WIIN Act without interest except as required by law. Consistent with Federal
438 Reclamation law, interest shall continue to accrue on the M&I portion of the Additional Capital
439 Obligation assigned to the Contractor until such costs are paid. Increases or decreases in the
440 Additional Capital Obligation assigned to the Contractor caused solely by annual adjustment of
441 the Additional Capital Obligation assigned to each Project Contractor by the Secretary shall not
442 be considered in determining the amounts to be paid pursuant to this subdivision (a)(2)(B),
443 however, such increases or decreases will be considered under subdivision (b) of this Article. A
444 separate agreement shall be established by the Contractor and the Contracting Officer to
445 accomplish repayment of the Additional Capital Obligation assigned to the Contractor within the
446 timeframe prescribed by the WIIN Act, subject to the following:

447 (1) If the collective Additional Capital Obligation
448 properly assignable to the contractors exercising conversion under Section 4011 of the WIIN Act
449 is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable
450 to the Contractor shall be repaid not more than five (5) years after the Contracting Officer

451 notifies the Contractor of the Additional Capital Obligation; Provided, That the reference to the
452 amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

453 (2) If the collective Additional Capital Obligation
454 properly assignable to the contractors exercising conversion under Section 4011 of the WIIN Act
455 is equal to or greater than five million dollars (\$5,000,000), then the portion of such costs
456 properly assignable to the Contractor shall be repaid as provided by applicable Federal
457 Reclamation law and Project ratesetting policy; Provided, That the reference to the amount of
458 five million dollars (\$5,000,000) shall not be a precedent in any other context.

459 (b) In the event that the final cost allocation referenced in Section 4011(b) of
460 the WIIN Act determines that the costs properly assignable to the Contractor are greater than
461 what has been paid by the Contractor, the Contractor shall be obligated to pay the remaining
462 allocated costs. The term of such additional repayment contract shall be not less than one (1)
463 year and not more than ten (10) years, however, mutually agreeable provisions regarding the rate
464 of repayment of such amount may be developed by the Contractor and Contracting Officer. In
465 the event that the final cost allocation indicates that the costs properly assignable to the
466 Contractor are less than what the Contractor has paid, the Contracting Officer shall credit such
467 overpayment as an offset against any outstanding or future obligations of the Contractor, with the
468 exception of Restoration Fund charges pursuant to Section 3407(d) of Public Law 102-575.

469 (c) If the amount of Delivered Water is less than or equal to eighty (80%)
470 percent of the Contractor's maximum contractual entitlement to Project Water pursuant to
471 subdivision (a) of Article 3, then payment for all Delivered Water shall be at the applicable Rates
472 specified in Exhibit A. If the amount of Delivered Water exceeds eighty (80%) percent of the
473 Contractor's maximum contractual entitlement to Project Water pursuant to subdivision (a) of

474 Article 3, then payment for that amount of Delivered Water, which equals eighty (80%) percent
475 of the maximum contractual entitlement shall be at the applicable Rates specified in Exhibit A,
476 but the payment for the increment of Delivered Water, which is in excess of eighty (80%)
477 percent of the maximum contractual entitlement, shall be at the applicable Tiered Pricing
478 Component as follows

479 (1) When the total amount of Delivered Water exceeds eighty (80%)
480 percent of the maximum contractual entitlement, then the increment in excess of eighty (80%)
481 percent, but less than or equal to ninety (90%) percent, shall be paid for by the Contractor at a
482 rate equal to the average of the applicable Rate and the M&I Full Cost Rate; and

483 (2) When the total amount of Delivered Water exceeds ninety (90%)
484 percent of the maximum contractual entitlement, then the increment in excess of ninety (90%)
485 percent shall be paid for by the Contractor at the M&I Full Cost Rate.

486 (d) The Contracting Officer shall notify the Contractor of the Rates, Charges,
487 and Tiered Pricing Component as follows:

488 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
489 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
490 the period October 1, of the current Calendar Year, through September 30, of the following
491 Calendar Year, and identify the statutes, regulations, and guidelines used as the basis for such
492 calculations. On or before September 15, of each Calendar Year, the Contracting Officer shall
493 notify the Contractor in writing of the Charges to be in effect during the period October 1, of the
494 current Calendar Year, through September 30, of the following Calendar Year, and such
495 notification shall revise Exhibit "A"; and

496 (2) Prior to October 1 of each Calendar Year, the Contracting Officer

497 shall make available to the Contractor an estimate of the Rates and Tiered Pricing Component
498 for Project Water for the following Year and the computations and cost allocations upon which
499 those Rates are based. The Contractor shall be allowed not less than two (2) months to review
500 and comment on such computations and cost allocations. By December 31 of each Calendar
501 Year, the Contracting Officer shall provide the Contractor with the final Rates and Tiered Pricing
502 Component to be in effect for the upcoming Year, and such notification shall revise Exhibit "A".

503 (e) At the time the Contractor submits the initial schedule for the delivery of
504 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
505 Contractor shall pay the United States the total amount payable pursuant to the applicable Rate(s)
506 for all Project Water scheduled to be delivered pursuant to this Contract during the first two (2)
507 calendar months of the Year. Before the end of the first month or part thereof of the Year, and
508 before the end of each calendar month thereafter, the Contractor shall pay pursuant to the
509 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this Contract
510 during the second month immediately following. Adjustments between the payments for the
511 scheduled amount of Project Water and the appropriate payments for quantities of Delivered
512 Water furnished pursuant to this Contract each month shall be made before the end of the
513 following month and may be reflected in the payments made during the following month:

514 Provided, That any revised schedule submitted by the Contractor pursuant to Article 4 that
515 increases the amount of Project Water to be delivered pursuant to this Contract during any month
516 shall be accompanied with appropriate payment for Rates to assure that Project Water is not
517 furnished to the Contractor in advance of such payment. In any month in which the quantity of
518 Delivered Water furnished to the Contractor pursuant to this Contract equals the quantity of
519 Project Water scheduled and paid for by the Contractor, no additional Project Water shall be

520 made available to the Contractor unless and until payment of Rates for such additional Project
521 Water is made. Final adjustment between the payments of Rates for the Project Water scheduled
522 and the quantities of Delivered Water furnished during each Year pursuant to this Contract shall
523 be made as soon as possible, but no later than April 30 of the following Year.

524 (f) The Contractor shall pay all Charges and the appropriate Tiered Pricing
525 Component owing for Delivered Water before the end of the month following the month of
526 delivery. Such amounts shall be consistent with the quantities of M&I Water shown in the United
527 States' water delivery report for the subject month. The water delivery report shall be regarded
528 by the Contractor as a bill for the payment of appropriate Charges and the applicable Tiered
529 Pricing Component for Delivered Water. Any monthly adjustment for overpayment or
530 underpayment of Charges shall be accomplished through the adjustment of Charges due to the
531 United States in the next month. By March 31 of each Year, the Contractor shall make any
532 additional payment of Charges and the Tiered Pricing Component it is obligated to make for
533 Delivered Water furnished to the Contractor pursuant to this Contract for the previous Year. The
534 amount to be paid for past due payment of Charges and the Tiered Pricing Component shall be
535 computed pursuant to Article 18 of this Contract.

536 (g) The Contractor shall pay for any Project Water provided under subdivision
537 (f) of Article 3 as determined by the Contracting Officer pursuant to applicable statutes,
538 regulations, guidelines, and policies.

539 (h) Payments to be made by the Contractor to the United States under this
540 Contract may be paid from any revenues available to the Contractor.

541 (i) Revenues received by the United States pursuant to this Contract shall be
542 allocated and applied in accordance with the Federal Reclamation law, including but not limited

to subsection (f) of Section 3405 and subsection (d)(2)(A) of Section 3407 of the CVPIA, and the associated regulations, including but not limited to, the Project M&I rate setting policy promulgated pursuant to the Administrative Procedure Act.

(j) At the Contractor's request, the Contracting Officer shall provide to the Contractor an accounting of all of the expenses allocated and the disposition of all revenues received pursuant to this Contract in sufficient detail to allow the Contractor to determine that the allocation of expenses and disposition of all revenues received was accomplished in conformance with Federal Reclamation law and the associated regulations. The Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any discrepancies or disputes arising out of said accounting of the Contractor's review thereof.

(k) The parties acknowledge and agree that the efficient administration of this Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms, policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component, and/or for making and allocating payments, other than those set forth in this Article would be in the mutual best interest of the parties, it is expressly agreed that the parties may enter into agreements for alternative mechanisms, policies, and procedures for any of those purposes while this Contract is in effect without amending this Contract.

NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICIT

8. The Contractor and the Contracting Officer concur that, at the time of the execution of this Contract, the Contractor has no non-interest bearing operation and maintenance deficit or other deficit of any kind.

TRANSFERS OR EXCHANGES OF WATER

9. (a) Project Water made available under this Contract shall not be sold,

566 transferred, or exchanged to others outside the County of Sacramento.

567 (b) The parties agree that the lack of acknowledgment in this Contract by the
568 Contracting Officer as to which county, watershed, or other area of origin, as those terms are
569 utilized under California law, the Contractor lies within, if any, does not constitute, and shall not
570 be construed as constituting : (i) a determination by the Contracting Officer as to the
571 applicability or non-applicability of Section 3405(a)(1)(M) of the CVPIA to the Contractor as a
572 transferor or transferee of Project Water; (ii) an agreement or admission by the Contractor that
573 the said section does not apply to them; or (iii) an agreement or admission by the Contractor that
574 they do or do not lie within any given county, watershed, or area of origin, as those terms are
575 utilized under California law.

576 APPLICATION OF PAYMENTS AND ADJUSTMENTS

577 10. (a) The amount of any overpayment by the Contractor shall be applied first to
578 any accrued indebtedness arising out of this Contract then due and payable by the Contractor.
579 Any amount of such overpayment then remaining shall, at the option of the Contractor, be
580 refunded to the Contractor or credited upon amounts to become due to the United States from the
581 Contractor under the provisions hereof in the following months. With respect to overpayment,
582 such adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming
583 to have the right to the use of any of the water supply provided for herein.

584 (b) All advances for miscellaneous costs incurred for work requested by the
585 Contractor pursuant to Article 22 shall be adjusted to reflect the actual costs when the work has
586 been completed. If the advances exceed the actual costs incurred, the difference will be refunded
587 to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be
588 billed for the additional costs pursuant to Article 22.

TEMPORARY REDUCTIONS-RETURN FLOWS

11. (a) Subject to: (i) the authorized purposes and priorities of the Project; and (ii) the obligations of the United States under existing contracts, or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall make all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in this Contract.

(b) The United States may temporarily discontinue or reduce the quantity of Project Water to be delivered to the Contractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the delivery of Project Water to the Contractor, but so far as feasible the Contracting Officer will give the Contractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given: Provided, That the United States shall use its best efforts to avoid any discontinuance or reduction in such service. Upon resumption of service after such reduction or discontinuance, and if requested by the Contractor, the United States will, if possible, deliver the quantity of Project Water that would have been delivered hereunder in the absence of such discontinuance or reduction: Provided further, That with respect to any quantity of Project Water not delivered after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment obligations for such quantity of Project Water.

(c) The United States reserves the right to all seepage and return flow water derived from water delivered to the Contractor hereunder that escapes or is discharged beyond the Contractor's boundaries: Provided, That this shall not be construed as claiming for the United States any right to seepage or return flow being put to reasonable and beneficial use pursuant to this Contract within the Contractor's boundaries by the Contractor or those claiming by, through,

612 or under the Contractor.

613 WATER SHORTAGE AND APPORTIONMENT

614 12. (a) In its operation of the Project, the Contracting Officer will use all
615 reasonable means to guard against a Condition of Shortage in the quantity of Project Water to be
616 made available to the Contractor pursuant to this Contract. In the event the Contracting Officer
617 determines that a Condition of Shortage appears probable, the Contracting Officer will notify the
618 Contractor of said determination as soon as practicable.

619 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting
620 or other similar operational errors affecting the Project; drought and other physical or natural
621 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer
622 to meet current and future legal obligations, then, except as provided in subdivision (a) of Article
623 17, no liability shall accrue against the United States or any of its officers, agents, or employees
624 for any damage, direct or indirect, arising therefrom.

625 (c) In any Year in which there may occur a Condition of Shortage for any of
626 the reasons specified in subdivision (b) of this Article, the Contracting Officer shall apportion the
627 available Project Water supply among the Contractor and others entitled, under existing contracts
628 and future contracts (to the extent such future contracts are permitted under subsections (a) and
629 (b) of Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with
630 the contractual obligations of the United States.

631 UNAVOIDABLE GROUNDWATER PERCOLATION

632 13. Omitted

633 RULES, REGULATIONS, AND DETERMINATIONS

634 14. (a) The parties agree that the delivery of Project Water or the use of Federal
635 facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and
636 supplemented, and the rules and regulations promulgated by the Secretary of the Interior under
637 Federal Reclamation law.

638 (b) The Contracting Officer shall have the right to make determinations
639 necessary to administer this Contract that are consistent with its expressed and implied
640 provisions, the laws of the United States and the State of California, and the rules and regulations
641 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation
642 with the Contractor.

643 PROTECTION OF WATER AND AIR QUALITY

644 15. (a) The United States will care for, operate and maintain reserved works in a
645 manner that preserves the quality of the water at the highest level possible as determined by the
646 Contracting Officer. The United States does not warrant the quality of the water delivered to the
647 Contractor and is under no obligation to furnish or construct water treatment facilities to
648 maintain or improve the quality of water delivered to the Contractor.

649 (b) The Contractor will comply with all applicable water and air pollution
650 laws and regulations of the United States and the State of California; and will obtain all required
651 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
652 delivery of water by the Contractor; and shall be responsible for compliance with all Federal,
653 State, and local water quality standards applicable to surface and subsurface drainage and/or
654 discharges generated through the use of Federal or Contractor facilities or Project Water
655 provided by the Contractor within its Project Water Service Area.

656 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
657 FROM THE UNITED STATES

658 16. Water or water rights now owned, or hereafter acquired by the Contractor, other
659 than from the United States, may be simultaneously transported through the same distribution
660 facilities of the Contractor.

661 OPINIONS AND DETERMINATIONS

662 17. Where the terms of this Contract provide for actions to be based upon the opinion
663 or determination of either party to this Contract, said terms shall not be construed as permitting
664 such action to be predicated upon arbitrary, capricious, or unreasonable opinions or
665 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly
666 reserve the right to seek relief from and appropriate adjustment, including monetary damages, for
667 any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or
668 determination by either party shall be provided in a timely manner.

669 CHARGES FOR DELINQUENT PAYMENTS

670 18. (a) The Contractor shall be subject to interest, administrative, and penalty
671 charges on delinquent payments. If a payment is not received by the due date, the Contractor
672 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
673 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in

addition to the interest charge, an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor shall pay, in addition to the interest and administrative charges, a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest rate charged shall be the greater of either the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month. The interest rate charged will be determined as of the due date and remain fixed for the duration of the delinquent period.

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

EQUAL EMPLOYMENT OPPORTUNITY

19. During the performance of this Contract, the Contractor agrees as follows:

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

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(c) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicant as part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

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

(e) The Contractor will comply with all provisions of Executive Order 11246 of Sept 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The Contractor will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

OBLIGATION TO PAY—BENEFITS CONDITIONED UPON PAYMENT

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

(b) The payment of charges becoming due pursuant to this Contract is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor is in arrears in the advance payment of water rates due the United States. The Contractor shall not deliver water under the terms and conditions of this Contract for lands or

parties that are in arrears in the advance payment of water rates as levied or established by the Contractor.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

21. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

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

(d) Complaints of discrimination against the Contractor shall be investigated by the Contracting Officer's Office of Civil Rights.

CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

22. In addition to all other payments to be made by the Contractor pursuant to this Contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for such specific items of direct cost incurred by the United States for work requested by the Contractor associated with this Contract plus a percentage of such direct costs for administrative and general overhead in accordance with applicable Bureau of Reclamation policy and procedures. All such

787 amounts referred to in this Article shall not exceed the amount agreed to in writing in advance by
788 the Contractor. This Article shall not apply to costs for routine contract administration.

789 WATER CONSERVATION

790 23. (a) Prior to the delivery of water provided from or conveyed through federally
791 constructed or federally financed facilities pursuant to this Contract, the Contractor shall develop
792 a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of
793 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

794 Additionally, an effective water conservation and efficiency program shall be based on the
795 Contractor's water conservation plan that has been determined by the Contracting Officer to meet
796 the conservation and efficiency criteria for evaluating water conservation plans established under
797 Federal law. In the event the Contractor's water conservation plan has not yet been determined
798 by the Contracting Officer to meet such criteria, due to circumstances that the Contracting
799 Officer determines are beyond the control of the Contractor, Project Water deliveries shall be
800 made under this Contract so long as the Contractor diligently works with the Contracting Officer
801 to obtain such determination at the earliest practicable date, and thereafter the Contractor
802 immediately begins implementing its water conservation program in accordance with the time
803 schedules therein. The water conservation program shall contain definite water conservation
804 objectives, appropriate economically feasible water conservation measures, and time schedules
805 for meeting those objectives.

806 (b) Should the amount of M&I water delivered pursuant to subdivision (a) of
807 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall
808 implement the Best Management Practices identified by the time frames issued by the Mid-
809 Pacific Region's then-existing conservation and efficiency criteria for such M&I Water, unless
810 any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

811 (c) The Contractor shall submit to the Contracting Officer by December 31, of

812 each Calendar Year, an annual report on the status of its implementation of the water
813 conservation program.

814 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

815 24. (a) Except as specifically provided in Articles 5 and 16 of this Contract, the
816 provisions of this Contract shall not be applicable to or affect water or water rights now owned
817 or hereafter acquired by the Contractor or any user of such water within the Contract Use Area
818 from other than the United States. Any such water shall not be considered Project Water under
819 this Contract. In addition, this Contract shall not be construed as limiting or curtailing any rights
820 that the Contractor or any water user within the Contract Use Area acquires or has available
821 under any other contract pursuant to Federal Reclamation law.

822 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

823 25. (a) The operation and/or maintenance of all or any portion or portions of the
824 Project facilities may be transferred to the Operating-Non-Federal Entity by separate agreement
825 between the United States and the Operating Non-Federal Entity. Any such separate agreements
826 shall not interfere with the rights or obligations of the Contractor or the United States hereunder.

827 (b) If so notified in writing by the Contracting Officer, the Contractor shall
828 pay directly to such Operating Non-Federal Entity in accordance with such notice its allocated
829 share of all charges for the operation and maintenance of the American River Division facilities
830 operated and/or maintained by the Operating Non-Federal Entity, all in compliance with all
831 provisions of Article 7 hereof: Provided, That this shall not relieve the Contractor of its
832 obligation to pay directly to the United States for its allocated share of the Project construction
833 costs and its allocated share of the remaining operation and maintenance costs for the Project.

834 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

835 26. The expenditure or advance of any money or the performance of any obligation of
836 the United States under this Contract shall be contingent upon appropriation or allotment of
837 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
838 obligations under this Contract. No liability shall accrue to the United States in case funds are
839 not appropriated or allotted.

840 BOOKS, RECORDS, AND REPORTS

841 27. The Contractor shall establish and maintain accounts and other books and records
842 pertaining to administration of the terms and conditions of this Contract, including the
843 Contractor's financial transactions; water supply data; project operation, maintenance, and
844 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop
845 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting
846 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on
847 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws
848 and regulations, each party to this Contract shall have the right during office hours to examine
849 and make copies of the other party's books and records relating to matters covered by this
850 Contract.

851 ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

852 28. (a) The provisions of this Contract shall apply to and bind the successors and
853 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
854 therein by either party shall be valid until approved in writing by the other party.

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

858 SEVERABILITY

859 29. In the event that an action is brought in a court of competent jurisdiction by a
860 person or entity other than the Contractor challenging the legality or enforceability of a provision
861 included in this Contract and a final court decision is issued holding that such provision is legally
862 invalid or unenforceable and the Contractor has not intervened in that lawsuit in support of the
863 plaintiff(s), the parties to this Contract shall use their best efforts to (i) within thirty (30) days of
864 the date of such final court decision identify by mutual agreement the provisions in this Contract
865 that must be revised; and (ii) within three (3) months thereafter promptly agree on the

appropriate revision(s). The time periods specified above may be extended by mutual agreement of the parties. Pending the completion of the actions designated above, to the extent it can do so without violating any applicable provisions of law, the United States shall continue to make the quantities of Project Water specified in this Contract available to the Contractor pursuant to the provisions of this Contract that were not found to be legally invalid or unenforceable in the final court decision.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to the Congress, Resident Commissioner, or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN CONTRACTOR'S SERVICE AREA OR ORGANIZATION

31. While this Contract is in effect, no change may be made in the Contractor's Service Area or organization, by inclusion or exclusion of lands or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the Contractor under this Contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

NOTICES

32. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, Central California Area Office, Bureau of Reclamation, 7794 Folsom Dam Rd., Folsom, CA 95630-1799 and on behalf of the United States, when mailed, postage prepaid, or delivered to the Chief, Water Supply Division, Sacramento County Department of Water Resources, 827 7th Street, Room 301, Sacramento, California, 95814. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

CERTIFICATION OF NONSEGREGATED FACILITIES

33. Omitted

MEDIUM FOR TRANSMITTING PAYMENTS

34. (a) All payments from the Contractor to the United States under this Contract shall be by the medium requested by the United States on or before the date payment is due. The

896 required method of payment may include checks, wire transfers, or other types of payment
897 specified by the United States.

898 (b) The Contractor shall furnish the Contracting Officer with the Contractor's
899 taxpayer's identification number (TIN). The purpose for requiring the Contractor's TIN is for
900 collecting and reporting any delinquent amounts arising out of the Contractor's relationship with
901 the United States.

902 CONTRACT DRAFTING CONSIDERATIONS

903 35. This amended Contract has been negotiated and reviewed by the parties hereto,
904 each of whom is sophisticated in the matters to which this amended Contract pertains. The double-
905 spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by the
906 parties, and no one party shall be considered to have drafted the stated articles. Single-spaced
907 articles are standard articles pursuant to Reclamation policy.

908 CONFIRMATION OF CONTRACT

909 36. Promptly after the execution of this contract, the Contractor will provide evidence
910 to the Contracting Officer that, pursuant to the laws of the State of California, the Contractor is a
911 legally constituted entity and the contract is lawful, valid, and binding on the Contractor. This
912 contract will not be binding on the United States until the Contractor provides evidence to the
913 Contracting Officer's satisfaction. In addition to other forms of evidence to meet the
914 requirements of this Article, the Contractor may provide or the Contracting Officer may require a
915 certified copy of a final decree of a court of competent jurisdiction in the State of California,
916 confirming the proceedings on the part of the Contractor for the authorization of the execution of
917 this contract.

918 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
919 the day and year first above written.


920 THE UNITED STATES OF AMERICA

921
922
923
924

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY



OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

By: 
Regional Director
Interior Region 10: California-Great Basin
Bureau of Reclamation

925
926 (SEAL)

SACRAMENTO COUNTY WATER AGENCY
a political subdivision of the State of California

927
928
929

By: 
Director, Department of Water Resources
Public Works and Infrastructure

930 Approved as to form:

931 By: 
932 Deputy County Counsel, County Counsel

Exhibit A
SACRAMENTO COUNTY WATER AGENCY
2020 Rates and Charges
Folsom Dam and Reservoir (Per Acre-Foot)

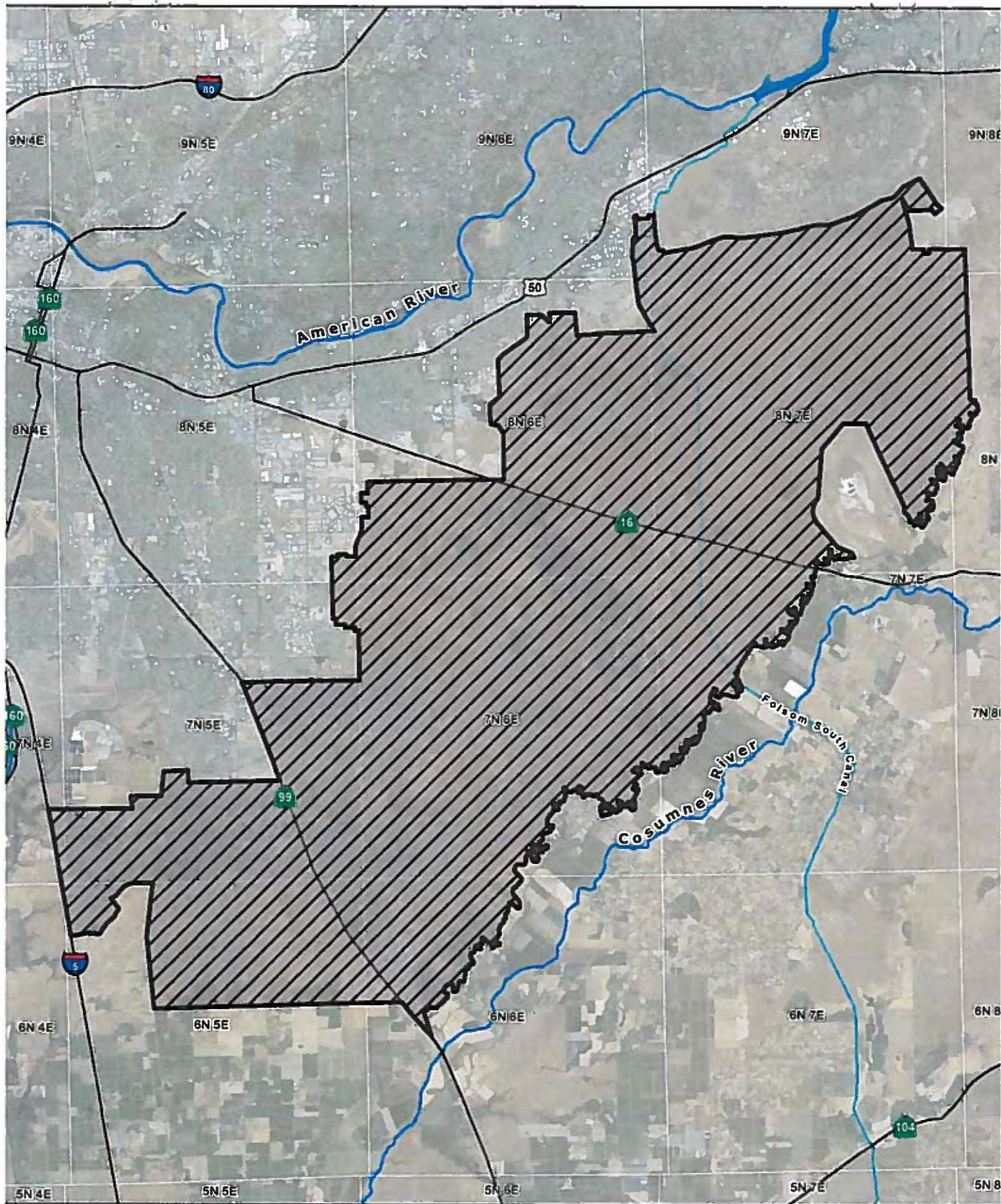
	M&I Water
COST-OF-SERVICE (COS) RATE	
Construction Component	\$0.00
O&M Component	
Water Marketing	\$6.12
Storage	\$14.99
Deficit Cost Component	\$2.23
TOTAL COS RATE (Tier 1 Rate)	\$23.34
M&I FULL COST RATE	\$0.00
TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)	
M&I	
Tier 2 Rate : >80% <=90% of Contract Total (Amount to be Added to Tier 1 Rate)	\$0.00
Tier 3 Rate : >90% of Contract Total (Amount to Be Added to Tier 1 Rate)	\$0.00
CHARGES AND ASSESSMENTS (Payments in Addition to Rates)	
P.L. 102-575 Surcharges (Restoration Fund Payments) ¹ [Section 3407(d)(2)(A)]	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) ² [Appendix B, Section 203]	\$0.12

EXPLANATORY NOTES

- 1 The surcharges were determined pursuant to Title XXXIV of P.L. 102-575. Restoration Fund surcharges under P.L. 102-575 are determined on a fiscal year basis (10/1-9/30).
- 2 The Trinity Public Utilities District Assessment is applicable to each acre-foot of water delivered from 3/1/2020-2/28/2021 and is adjusted annually.

The Historical Use, as defined in the CVP M&I Water Shortage Policy, is TBD acre-feet.

Additional detail of rate components is available on the Internet at
www.usbr.gov/mp/cvpwaterrates/.



- Water District Boundary
- Contract Use Area

Sacramento County Water Agency

Contract No. 6-07-20-W1372-P
EXHIBIT B

RECLAMATION
Managing Water in the West

Date: 8/23/2016
File Name: N:\Districts\Contracts\sacramento_co_wa\sacramento_co_wa_20160623.mxd

0 1.25 2.5 5 Miles



353-202-3

Exhibit C

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Unpaid Construction Cost from the 2020 Water Rate Books*

Contractor: Sacramento County WA
Facility: Folsom D&R
Contract: 6-07-20-W1372-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-28a and A-28c)			
	Unpaid Cost		Discount
Construction Cost (Excludes Intertie):	\$	-	
2019 Repayment (Estimate) **	\$	-	
Adjusted Construction Cost (Excludes Intertie):	\$	-	\$ -
Intertie Construction Cost:	\$	-	\$ -
Total	\$	-	\$ -
If Paid in Installments (Used 20 yr CMT)			
	Due		
Payment 1	N/A		\$ -
Payment 2	N/A		\$ -
Payment 3	N/A		\$ -
Payment 4	N/A		\$ -
Total Installment Payments			\$ -
20 yr CMT Rates			N/A
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))			N/A

M&I Construction Cost (2020 M&I Ratebook, Sch A-28a)	
	Unpaid Cost
Construction Cost:	\$ 43,817
2019 Repayment (Estimate) **	\$ -
Adjusted Construction Cost***	\$ 43,817

Calculation Support: Irrigation Lump Sum or First Payment Due Date N/A
 Days Until the End of the Fiscal Year N/A

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031-63				\$ -	\$ -	\$ -	\$ -
Total, Lump Sum Payment			\$ -			\$ -	\$ -

Amount of Reduction, Lump Sum \$ - \$ - \$ -

* Costs are assumed to be paid and all charges are assumed to be accurate. If at a later date charges are determined to need update, they are still required. Also, unpaid charges are still a requirement under contract.

** 2019 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.

*** Excludes interest to payment date as interest will be computed as an annual expense as usual.