United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898

IN REPLY REFER TO:

JUN 30 2020

CGB-100
2.2.4.22

Manager
Shasta County Water Agency
1855 Placer Street
Redding, CA 96001

Subject: Water Infrastructure Improvements for the Nation Act Contract No. 14-06-3367A-P Between the United States and the Shasta County Water Agency Providing for Project Water Service – Central Valley Project, California

Dear Mr. Minturn:

Enclosed is an executed original of the subject contract for your records. The Bureau of Reclamation appreciates the effort expended by the Shasta County Water Agency and its representatives relative to this contract.

The exhibit titled, "Repayment Obligation – Current Calculation Under the WIIN Act, Section 4011 (a) (2)", for the Contract Amendment will be finalized on the Effective Date of the Contract Amendment, in accordance with the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322).

If there are any questions, please contact Mr. Stanley Data, Repayment Specialist, at (916) 978-5246, or sdata@usbr.gov.

Sincerely,

Ernest A. Conant
Regional Director

Enclosure

Contract No. 14-06-200-3367A-P

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Sacramento River, Shasta, and Trinity River Divisions, Central Valley Project, California

AMENDMENT TO THE EXISTING CONTRACT BETWEEN THE UNITED STATES AND SHASTA COUNTY WATER AGENCY PROVIDING FOR PROJECT WATER SERVICE AND FACILITIES REPAYMENT

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Exhibit A – Map of Contractor's Service Area
Exhibit B – Rates and Charges
Exhibit C – Repayment Obligation and Payoff Schedule

Contract No. 14-06-200-3367A-P

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Sacramento River, Shasta, and Trinity River Divisions, Central Valley Project, California

AMENDMENT TO THE EXISTING CONTRACT BETWEEN THE UNITED STATES AND SHASTA COUNTY WATER AGENCY PROVIDING FOR WATER SERVICE AND FACILITIES REPAYMENT

THIS AMENDMENT ("Amendment") to Long-Term Renewal Contract Between the United States and Shasta County Water Agency Providing For Project Water Services From the Sacramento River, Shasta, and Trinity River Divisions ("Existing Contract") (collectively, "Contract"), is made this 30th day of June, 2020, in pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), as amended, and the Water Infrastructure Improvements for the Nation Act (Public Law 114-322,130 Stat. 1628), Section 4011 (a-d) and (f) ("WIIN Act"), all collectively hereinafter referred to as Federal Reclamation law, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer executing this Amendment, hereinafter referred to as the Contracting Officer, and Shasta County Water Agency, hereinafter referred to as the Agency or Contractor.

WITNESSETH, That:

18 EXPLANATORY RECITALS

19 [1st] WHEREAS, the United States and the Contractor entered into Contract Number
20 14-06-200-3367-LTR1, which established terms for the delivery of Project Water to the
21 Contractor from the Sacramento River, Shasta, and Trinity River Divisions, as in effect the date
22 the WIIN Act was enacted, and as may have been amended; and

23 [2nd] WHEREAS, on December 16, 2016, the 114th Congress of the United States of
24 America enacted the WIIN Act; and

25 [3rd] WHEREAS, Section 4011(a)(1) provides that "upon request of the contractor, the
26 Secretary of the Interior shall convert any water service contract in effect on the date of
27 enactment of this subtitle and between the United States and a water users' association
28 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
29 mutually agreeable terms and conditions."; and

30 [4th] WHEREAS, Section 4011(a)(1) further provides that "the manner of conversion
31 under this paragraph shall be as follows: (A) Water service contracts that were entered into under
32 section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section shall
33 be converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195)"; and "(B)
34 Water service contracts that were entered under subsection (c)(2) of section 9 of the Act of
35 August 4, 1939 (53 Stat. 1194), to be converted under this section shall be converted to a
36 contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195)."; and

37 [5th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered into
38 pursuant to Section 4011(a)(1), (2), and (3) shall "not modify other water service, repayment,
39 exchange and transfer contractual rights between the water users' association [Contractor], and

40 the Bureau of Reclamation, or any rights, obligations, or relationships of the water users'
41 association [Contractor] and their landowners as provided under State law."; and
42 [6th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
43 "implementation of the provisions of this subtitle shall not alter…(3) the priority of a water
44 service or repayment contractor to receive water; or (4) except as expressly provided in this
45 section, any obligations under the reclamation law, including the continuation of Restoration
46 Fund charges pursuant to section 3407(d) (Public Law 102-575), of the water service and
47 repayment contractors making prepayments pursuant to this section."; and
48 [7th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
49 Secretary to convert municipal and industrial (M&I) water service contracts into repayment
50 contracts, amend existing repayment contracts, and allow contractors to prepay their construction
51 cost obligations pursuant to applicable Federal Reclamation law; and
52 [8th] WHEREAS, the Contracting Officer and the Contractor agree to amend the
53 Existing Contract with the execution of this Amendment; and
54 [9th] WHEREAS, the Contracting Officer and the Contractor agree that this
55 Amendment complies with Section 4011 of the WIIN Act.
56 NOW, THEREFORE, in consideration of the covenants herein contained, it is hereby
57 mutually agreed by the parties hereto as follows:
58 **1. Article 1 of the Existing Contract, entitled <u>DEFINITIONS</u> is amended as**
59 **follows:**
60 **a. Subdivisions (m), (o) and (t) of Article 1 of the Existing Contract are**
61 **amended and replaced in their entirety with the following new subdivisions (m), (o) and (t):**

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

(o) "Municipal and Industrial Water" shall mean the use of Project Water and Replaced Water for municipal, industrial, and miscellaneous other purposes not falling under the definition of Irrigation Water or within another category of water use under an applicable Federal authority.

(t) "Project Contractors" shall mean all parties who have contracts for water service for Project Water from the Project with the United States pursuant to Federal Reclamation law.

b. Subdivisions (gg) through (ii) are added at the end of Article 1 of the Existing Contract as follows:

(gg) "Additional Capital Obligation" shall mean construction costs or other capitalized costs incurred after July 1, 2020 or not reflected in the Existing Capital Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B) and (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Public Law 114-322,130 Stat. 1628) ("WIIN Act").

(hh) "Existing Capital Obligation" shall mean the remaining amount of construction costs or other capitalized costs allocable to the Contractor as described in section 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively, the Central Valley Project 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in Exhibit C, which is incorporated herein by reference.

(ii) "Repayment Obligation" shall mean the amount due and payable to the United States, pursuant to the section 4011(a)(3)(A) of the WIIN Act.

88 **2. Article 2 of the Existing Contract, entitled <u>TERM OF CONTRACT</u>, is**
89 **amended and replaced in its entirety with the following new Article 2:**
90 2. (a) This Contract shall be effective July 1, 2020 and shall continue so
91 long as the Contractor pays applicable Rates and Charges under this Contract, consistent with
92 Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable
93 law;
94 (1) <u>Provided</u>, That the Contracting Officer shall not seek to
95 terminate this Contract for failure to fully or timely pay applicable Rates and Charges by the
96 Contactor, unless the Contracting Officer has first provided at least sixty (60) calendar days
97 written notice to the Contractor of such failure to pay and Contractor has failed to cure such
98 failure to pay, or to diligently commence and maintain full curative payments satisfactory to the
99 Contracting Officer within the sixty (60) calendar days' notice period;
100 (2) <u>Provided further</u>, That the Contracting Officer shall not
101 seek to suspend making water available or declaring Water Made Available pursuant to this
102 Contract for non-compliance by the Contractor with the terms of this Contract or Federal law,
103 unless the Contracting Officer has first provided at least thirty (30) calendar days written notice
104 to the Contractor and the Contractor has failed to cure such non-compliance, or to diligently
105 commence curative actions satisfactory to the Contracting Officer for a non-compliance that
106 cannot be fully cured within the thirty (30) calendar days' notice period. If the Contracting
107 Officer has suspended making water available pursuant to this paragraph, upon cure of such

108 noncompliance satisfactory to the Contracting Officer, the Contracting Officer shall resume
109 making water available and declaring Water Made Available pursuant to this Contract;
110 (3) Provided further, That this Contract may be terminated at
111 any time by mutual consent of the parties hereto.
112 (b) Upon complete payment of the Repayment Obligation by the
113 Contractor, and notwithstanding any Additional Capital Obligation that may later be established,
114 the acreage limitations, reporting, and the Full Cost pricing provisions of the Reclamation
115 Reform Act of 1982 shall no longer be applicable to the Contractor pursuant to this Contract.
116 (c) OMITTED.
117 (d) Notwithstanding any provision of this Contract, the Contractor
118 reserves and shall have all rights and benefits, under the Act of June 21, 1963 (77.Stat. 68), to the
119 extent allowed by law.
120 **3. Article 3, of the Existing Contract, entitled WATER TO BE MADE**
121 **AVAILABLE AND DELIVERED TO THE CONTRACTOR, is amended as follows:**
122 **a. Subdivision (h) of Article 3 of the Existing Contract is amended and**
123 **replaced in its entirety with the following new subdivision (h):**
124 (h) The Contractor's right pursuant to Federal Reclamation law and
125 applicable State law to the reasonable and beneficial use of the Water Delivered pursuant to this
126 Contract shall not be disturbed, and this Contract shall continue so long as the Contractor pays
127 applicable Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the
128 Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the

129 preceding sentence shall affect the Contracting Officer's ability to impose shortages under
130 Article 11 or subdivision (b) of Article 12 of this Contract.

131 **4. Article 7 of the Existing Contract, entitled <u>RATES AND METHOD OF</u>**
132 **<u>PAYMENT FOR WATER</u>, is amended as follows:**

133 **(a) The heading of the Existing Contract is amended and replaced in its**
134 **entirety with <u>RATES, METHOD OF PAYMENT FOR WATER AND ACCELERATED</u>**
135 **<u>REPAYMENT OF FACILITIES</u>.**

136 **(b) Subdivision (a) of Article 7 of the Existing Contract is amended and**
137 **replaced in its entirety with the following new subdivision (a):**

138 (a) Notwithstanding the Contractor's full prepayment of the
139 Repayment Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection (a)(3)A) of
140 the WIIN Act, as set forth in Exhibit C, and any payments required pursuant to section 4011,
141 subsection (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described
142 in this Article, subsection (b), the Contractor's Project construction and other cost obligations
143 shall be determined in accordance with: (i) the Secretary's ratesetting policy for Irrigation Water
144 adopted in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent
145 with the WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only
146 through a public notice and comment procedure; (ii) applicable Federal Reclamation law and
147 associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract.
148 Payments shall be made by cash transaction, electronic funds transfers, or any other mechanism
149 as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates and

150 Charges applicable to the Contractor upon execution of this Contract are set forth in Exhibit "B,"
151 as may be revised annually.

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

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

161 (A) The amount due and payable to the United States,
162 pursuant to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has
163 been computed by the Contracting Officer in a manner consistent with the WIIN Act and is set
164 forth as a lump sum payment as set forth in Exhibit C. The Repayment Obligation is due in lump
165 sum within 60 days of the effective date of this Amendment as provided by the WIIN Act.
166 Notwithstanding any Additional Capital Obligation that may later be established, receipt of the
167 Contractor's payment of the Repayment Obligation to the United States shall fully and
168 permanently satisfy the Existing Capital Obligation.

169 (B) Additional Capital Obligations that are not reflected
170 in the schedules referenced in Exhibit C and properly assignable to the Contractor, shall be
171 repaid as prescribed by the WIIN Act without interest except as required by law. Consistent with

172 Federal Reclamation law, interest shall continue to accrue on the M&I portion of the Additional
173 Capital Obligation assigned to the Contractor until such costs are paid. Increases or decreases in
174 the Additional Capital Obligation assigned to the Contractor caused solely by annual adjustment
175 of the Additional Capital Obligation assigned to each Project contractor by the Secretary shall
176 not be considered in determining the amounts to be paid pursuant to this subdivision (a)(2)(B),
177 however, will be considered under subdivision (b) of this Article. A separate agreement shall be
178 established by the Contractor and the Contracting Officer to accomplish repayment of the
179 Additional Capital Obligation assigned to the Contractor within the timeframe prescribed by the
180 WIIN Act, subject to the following:

181 (1) If the collective Additional Capital
182 Obligation properly assignable to the contractors exercising conversion under section 4011 of the
183 WIIN Act is less than five million dollars ($5,000,000), then the portion of such costs properly
184 assignable to the Contractor shall be repaid not more than five (5) years after the Contracting
185 Officer notifies the Contractor of the Additional Capital Obligation; Provided, That the reference
186 to the amount of five million dollars ($5,000,000) shall not be a precedent in any other context.

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

(c) Article 7 of the Existing Contract is amended to add a new subdivision (b); subdivisions (b) through (n) of Article 7 of the Existing Contract are redesignated as subdivisions (c) through (o):

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

5. Article 12 of the Existing Contract, entitled <u>CONSTRAINTS ON THE AVAILABILITY OF WATER</u>, is amended as follows:

(a) Subdivisions (a) and (b) of Article 12 of the Existing Contract are amended and replaced in their entirety with the following new subdivisions (a) and (b):

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

(b) If there is a Condition of Shortage because of inaccurate runoff forecasting or other similar operational errors affecting the Project; drought and other physical or natural causes beyond the control of the Contracting Officer; or actions taken by the Contracting

Officer to meet current and future legal obligations, then, except as provided in subdivision (a) of Article 18, no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

6. Article 18 of the Existing Contract, entitled OPINIONS AND DETERMINATIONS, is amended to replace subdivision (b) in its entirety with the following new subdivision (b):

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

7. Article 15 of the Existing Contract, entitled <u>WATER AND AIR POLLUTION CONTROL</u> and Article 16 of the Existing Contract, entitled <u>QUALITY OF WATER</u>, are amended and replaced in their entirety with a new Article 15 as follows:

<u>PROTECTION OF WATER AND AIR QUALITY</u>

15. (a) OMITTED.

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

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

(d) This Article shall not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

8. The Article numbers for Articles 17 through 39 of the Existing Contract are amended and redesignated as Articles 16 through 38.

9. Article 20, redesignated Article 19, of the Existing Contract, entitled <u>CHARGES FOR DELINQUENT PAYMENTS</u>, is amended and replaced in its entirety with the following new Article 19:

19. (a) The Contractor shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest charge on the delinquent payment for each day the payment is delinquent 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 <u>Federal Register</u> 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.

10. Article 21, redesignated Article 20, of the Existing Contract, entitled <u>EQUAL OPPORTUNITY</u>, is amended and replaced in its entirety with the following new Article 20:

<u>EQUAL EMPLOYMENT OPPORTUNITY</u>

20. 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 applicants 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 No. 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.

11. Article 22, redesignated Article 21, of the Existing Contract, entitled GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT, is amended as follows:

(a) Subdivisions (a) and (b) of Article 21 of the Existing Contract are amended and replaced in their entirety with the following new subdivisions (a) and (b):

(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.

12. Article 23, redesignated Article 22, of the Existing Contract, entitled COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS, is amended and replaced in its entirety with the following new Article 22:

22. (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.

13. OMITTED.

14. Article 26, of the Existing Contract, entitled <u>WATER CONSERVATION</u>, is redesignated Article 25 and is amended as follows:

(a) The first sentence of subdivision (a) of redesignated Article 25 of the Existing Contract is amended and replaced with the following:

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

Additionally, an effective water conservation and efficiency program shall be based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet

385 the conservation and efficiency criteria for evaluating water conservation plans established under
386 Federal law.

387 **(b) Subdivision (b) of redesignated Article 25 of the Existing Contract is**
388 **amended to strike California Urban Water Conservation Council and insert Mid-Pacific**
389 **Region's then-existing conservation and efficiency criteria:**

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

396 **(c) Subdivision (d) of redesignated Article 25 of the Existing Contract is**
397 **amended to strike then-current and insert then-existing:**

398 (d) At five (5)-year intervals, the Contractor shall revise its water
399 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
400 water conservation plans established under Federal law and submit such revised water
401 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
402 will then determine if the water conservation plan meets Reclamation's then-existing
403 conservation and efficiency criteria for evaluating water conservation plans established under
404 Federal law.

405 **15.** OMITTED.

16. Article 30, of the Existing Contract, entitled <u>BOOKS, RECORDS, AND REPORTS</u>, is redesignated Article 29, and is amended as follows:

(a) Subdivision (a) of Article 29 of the Existing Contract is amended and replaced in its entirety with the following new subdivision (a):

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

17. Subdivision (a) of Article 31, redesignated Article 30, of the Existing Contract, entitled <u>ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED</u>, is amended and replaced in its entirety with the following new subdivision (a):

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

18. Article 34, redesignated Article 33, of the Existing Contract, entitled <u>OFFICIALS NOT TO BENEFIT</u>, is amended and replaced in its entirety with the following new Article 33:

33. 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.

19. Subdivision (a) of Article 35, redesignated Article 34, of the Existing Contract, entitled <u>CHANGES IN CONTRACTOR'S SERVICE AREA</u>, is amended and replaced in its entirety with the following new subdivision (a):

<u>CHANGES IN CONTRACTOR'S ORGANIZATION</u>

(a) 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.

20. Article 37, redesignated Article 36, of the Existing Contract, entitled <u>NOTICES</u>, is amended and replaced in its entirety with the following new Article 36:

36. 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, Bureau of Reclamation, Northern California Area Office, 16349 Shasta Dam Boulevard, Shasta Lake, California 96019, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Shasta County Board of Supervisors, c/o the Shasta County Water Agency, 1855 Placer Street, Redding, California 96001. 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.

21. OMITTED.

22. OMITTED.

23. OMITTED.

24. OMITTED.

25. OMITTED.

26. OMITTED.

27. OMITTED.

28. The Existing Contract is amended to add Article 39, entitled <u>MEDIUM FOR TRANSMITTING PAYMENTS</u>, as follows:

461 **39.** (a) All payments from the Contractor to the United States under this
462 Contract shall be by the medium requested by the United States on or before the date payment is
463 due. The required method of payment may include checks, wire transfers, or other types of
464 payment specified by the United States.

465 (b) Upon execution of the contract, the Contractor shall furnish the
466 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
467 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
468 out of the Contractor's relationship with the United States.

469 CONFIRMATION OF AMENDMENT

470 **29.** Promptly after the execution of this Amendment, the Contractor will provide
471 evidence to the Contracting Officer that, pursuant to the laws of the State of California, the
472 Contractor is a legally constituted entity and the Amendment is lawful, valid, and binding on the
473 Contractor. This Amendment will not be binding on the United States until the Contractor
474 provides evidence to the Contracting Officer's satisfaction. In addition to other forms of
475 evidence to meet the requirements of this Article, the Contractor may provide or the Contracting
476 Officer may require a certified copy of a final decree of a court of competent jurisdiction in the
477 State of California, confirming the proceedings on the part of the Contractor for the authorization
478 of the execution of this Amendment.

479 Under California law, there is no requirement for court validation proceedings or
480 decrees for municipal contractors.

481 AMENDMENT DRAFTING CONSIDERATIONS

482 **30.** This Amendment has been negotiated and reviewed by the parties hereto, each of
483 whom is sophisticated in the matters to which this Amendment pertains. The double-spaced
484 Articles of this Amendment have been drafted, negotiated, and reviewed by the parties, and no
485 one party shall be considered to have drafted the stated articles. Single-spaced articles are
486 standard articles pursuant to Reclamation policy.

487 **31.** Except as specifically provided for in this Amendment, the provisions of the
488 Existing Contract shall continue in full force and effect as originally written and executed.

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

UNITED STATES OF AMERICA

APPROVED AS TO LEGAL FORM AND SUFFICIENCY - REVIEWED BY:

Digitally signed by BRIAN HUGHES
Date: 2020.06.16 10:06:20 -07'00'

OFFICE OF THE REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR
TIME STAMP: 1:37 pm, May 11 2020

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

SHASTA COUNTY WATER AGENCY

(SEAL)

By: Mary Rickert
Chairman, Board of Directors

Attest:

By: _____
County Clerk and Ex-Officio Clerk
of the Board of Directors

APPROVED AS TO FORM
SHASTA COUNTY COUNSEL
5/22/2020
Matthew M. McOmber
Senior Deputy County Counsel

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

UNITED STATES OF AMERICA

By: _____
Regional Director
Interior Region 10: California-Great Basin
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SHASTA COUNTY WATER AGENCY

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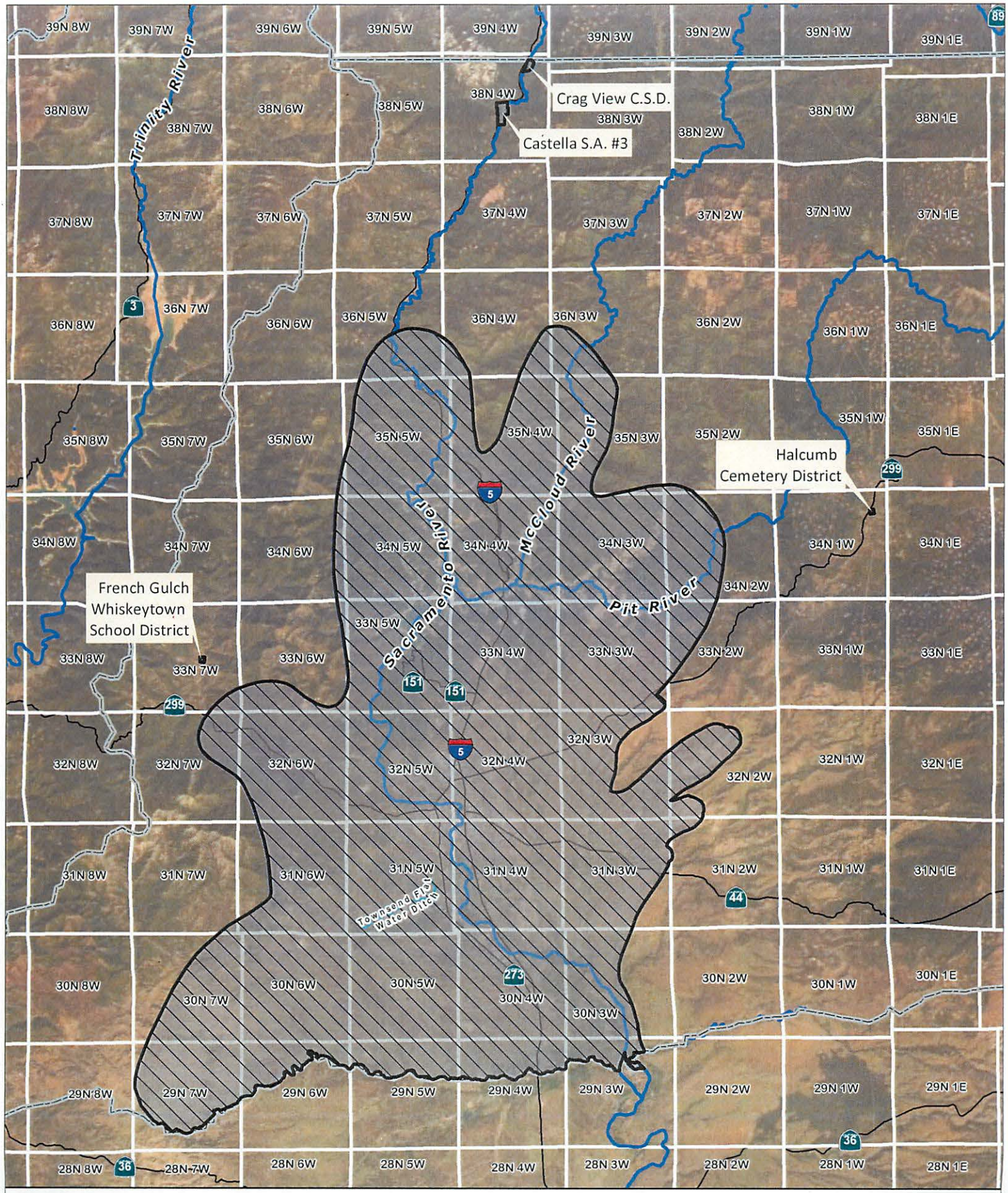
APPROVED AS TO FORM
SHASTA COUNTY COUNSEL
5/22/2020
Matthew M. McOmber
Senior Deputy County Counsel



District Boundary

Contractor's Service Area

Shasta County Water Agency

Contract No. 14-06-200-3367A-P

Exhibit A

BUREAU OF RECLAMATION

Miles

0 5 10

N

602-202-102

Date: 3/9/2020

File Name: N:\Districts\Contracts\shasta_co_wa\shasta_co_wa_03092020.mxd

Exhibit B
SHASTA COUNTY WATER AGENCY
2020 Rates and Charges
(Per Acre-Foot)

	M&I Water	
	Shasta Reservoir	**Spring Creek Conduit**
COST-OF-SERVICE (COS) RATES		
Capital Component	$0.00	$0.00
O&M Component		
Water Marketing	$6.12	$6.12
Storage	$14.99	$14.99
Interest Bearing O&M Deficit Component	$0.00	$1.65
ARRA Component	$0.00	$0.00
TOTAL COS RATE *(Tier 1 Rate)*	$21.11	$22.76
M&I FULL COST RATE	$21.11	$22.76
TIERED PRICING COMPONENTS *(In Addition to Total COS Rate Above)*		
M&I		
Tier 2 Rate : >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 *(Amount to be Added to Tier 1 Rate)*	$0.00	$0.00
Tier 3 Rate : >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] *(Amount to be Added to Tier 1 Rate)*	$0.00	$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	$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District)[2] [Appendix B, Section 203]	$0.12	$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 - 2/28 and is adjusted annually.

Recent Historic Use, as defined in the CVP M&I Water Shortage Policy, is 226 acre-feet.

Additional details of the rate components are available on the Internet at www.usbr.gov/mp/cvpwaterrates/ratebooks.

Exhibit C

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

Unpaid Construction Cost from the 2020 Water Rate Books*

Contractor: Shasta County Water Agency
Facility: Shasta D&R
Contract: 14-06-200-3367A-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba				
		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-2Ba)		
		Unpaid Cost
Construction Cost:	$	3,301
2019 Repayment (Estimate) **	$	443
Adjusted Construction Cost***:	$	2,858

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

	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
Fiscal Yr	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
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.

Exhibit C

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

Unpaid Construction Cost from the 2020 Water Rate Books*

Contractor: Shasta County Water Agency
Facility: Spring Creek Conduit
Contract: 14-06-200-3367A-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba		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-2Ba)	Unpaid Cost
Construction Cost:	$ 2,984
2019 Repayment (Estimate) **	$ 202
Adjusted Construction Cost***:	$ 2,782

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

	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
Fiscal Yr	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
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.