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CCAO 03-12-2020

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

CONTRACT BETWEEN THE UNITED STATES
AND
STOCKTON EAST WATER DISTRICT
PROVIDING FOR
PROJECT WATER SERVICE AND FACILITIES REPAYMENT

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1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 CONTRACT BETWEEN THE UNITED STATES
6 AND
7 STOCKTON EAST WATER DISTRICT
8 PROVIDING FOR
9 PROJECT WATER SERVICE

10 THIS CONTRACT, made this 28 day of September, 2020, in

11 pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof or
12 supplementary thereto, including but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as
13 amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July
14 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27,
15 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706),
16 as amended, and the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130
17 Stat. 1628), Section 4011 (a-d) and (f) ("WIIN Act"), all collectively hereinafter referred to as
18 Federal Reclamation law, between the UNITED STATES OF AMERICA, hereinafter referred to
19 as the United States, represented by the officer executing this Contract, hereinafter referred to as
20 the Contracting Officer, and STOCKTON EAST WATER DISTRICT, hereinafter referred to as
21 the Contractor, a public agency of the State of California, duly organized, existing, and acting
22 pursuant to the laws thereof, with its principal place of business in Stockton, California a public
23 agency of the State of California, duly organized, existing and acting pursuant to the laws thereof.

24 WITNESSETH, That:
25

EXPLANATORY RECITALS

[1st] WHEREAS, the United States is constructing and operating the Central Valley Project, California ("Project") for the purpose, among others, of furnishing water for irrigation, municipal, industrial, domestic, and other beneficial uses; and

[2nd] WHEREAS, pursuant to the Flood Control Acts of December 22, 1944 (58 Stat. 887) and October 23, 1962 (76 Stat. 1173), the Corps of Engineers, United States Army was authorized to construct the New Melones Dam on the Stanislaus River, California, for the multipurpose use of flood control, irrigation, municipal and industrial, power generation, and recreation, among other beneficial purposes; and

[3rd] WHEREAS, pursuant to said acts, New Melones Dam and Reservoir were constructed by the Corps of Engineers and transferred to the Secretary of the Interior to become an integral part of the Project to be operated and maintained pursuant to the authorizing acts and Federal Reclamation laws; and

[4th] WHEREAS, investigations by the United States indicate that the Contractor has a present and potential need for an irrigation and municipal and industrial (M&I) water supply; and

[5th] WHEREAS, the Contractor has sought a long-term water supply from the Folsom South Canal of the Project which is not currently available; and

[6th] WHEREAS, the Flood Control Act of 1962 provides "That before initiating any diversions of water from the Stanislaus River Basin in connection with the operation of the Project, the Secretary of the Interior shall determine the quantity of water required to satisfy all existing and anticipated future needs within that basin and the diversion shall at all times be subordinate to the quantities so determined..."; and

[7th] WHEREAS, in the Record of Decision dated June 29, 1981, the Secretary determined the Stanislaus River Basin and the needs therein; and

[8th] WHEREAS, although the Contractor is not within the Basin, said Secretarial determination and investigations by the United States indicate that there will be an interim water supply available from the Project for furnishing to the Contractor for surface diversion and direct application for irrigation and municipal and industrial (M&I) and other purposes; and

[9th] WHEREAS, the United States and the Contractor entered into Contract No. 4-07-20-W0329 ("Existing Contract"), which established terms for the delivery of Project water to the Contractor from the Eastside Division facilities as in effect the date the WIIN Act was enacted, and as may have been amended; and

[10th] WHEREAS, on December 16, 2016, the 114th Congress of the United States of America enacted the WIIN Act; and

[11th] WHEREAS, Section 4011(a)(1) of the WIIN Act provides that "upon request of the contractor, the Secretary of the Interior shall convert any water service contract in effect on the date of enactment of this subtitle and between the United States and a water users' association [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under mutually agreeable terms and conditions."; and

[12th] WHEREAS, Section 4011(a)(1) of the WIIN Act further provides that "the manner of conversion under this paragraph shall be as follows: (A) Water service contracts that were entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat. 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

[13th] WHEREAS, Section 4011(a)(4)(C) of the WIIN Act further provides all contracts entered into pursuant to Section 4011(a)(1), (2), and (3) of the WIIN Act 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

[14th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act 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) (Pub. L. 102-575), of the water service and repayment contractors making prepayments pursuant to this section.”; and

[15th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the Secretary to convert Irrigation Water service contracts and 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

[16th] 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; and

[17th] WHEREAS, the Contracting Officer and the Contractor agree that this Contract complies with Section 4011 of the WIIN Act; and

NOW, THEREFORE, in consideration of the covenants herein contained, it is
agreed as follows:

DEFINITIONS

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

(a) "Additional Capital Obligation" shall mean construction costs or other
capitalized costs incurred after the Effective Date of Contract 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 WIIN Act;

(b) "Basin" shall mean the Stanislaus River Basin area for which a reservation
of water is required by the Flood Control Act of 1962 and which is defined in the special report
entitled "New Melones Unit, Central Valley Project, California, Stanislaus River Basin Alternative
and Water Allocation, September 1980," approved by the Under Secretary in his June 29, 1981,
Record of Decision;

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

(d) "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;

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

(f) “Contracting Officer” or “Secretary” shall mean the Secretary of the Interior's duly authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation;

(g) “Contractor's Service Area” shall mean the area to which the Contractor is permitted to provide Project water under this Contract as described in Exhibit A attached hereto, which may be modified from time to time in accordance with Article 21 of this Contract without amendment of this Contract;

(h) “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, in the Final 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;

(i) “interim water supply” shall mean that portion of the water supply available from the New Melones Unit during the buildup to full Basin requirements which will be withdrawn as the needs within the Basin develop;

(j) “Irrigation Water or agricultural water” shall mean the use of Project water to irrigate lands primarily for the production of commercial agricultural crops or livestock, and domestic and other uses that are incidental thereto;

(k) “Municipal and Industrial (M&I) Water or municipal, industrial and domestic water” shall mean the use of Project 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;

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

(m) "Project Contractor" 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;

(n) "Rates" shall mean the payments determined annually by the Contracting Officer in accordance with the then-current applicable water ratesetting policies for the Project as described in subdivision (a) of Article 5 of this Contract;

(o) "Repayment Obligation" for Water Delivered as Irrigation Water shall mean the Existing Capital Obligation discounted by $\frac{1}{2}$ of the Treasury rate, which shall be the amount due and payable to the United States, pursuant to Section 4011(a)(2)(A) of the WIIN Act; and for Water Delivered as M&I Water shall mean the amount due and payable to the United States, pursuant to Section 4011(a)(3)(A) of the WIIN Act;

(p) "Tiered Pricing Component" shall be the incremental amount to be paid for each acre-foot of Water Delivered as described in Article 5 of this Contract; and

(q) "Water Delivered" or "Delivered Water" shall mean Project water diverted for use by the Contractor at the point(s) of delivery approved by the Contracting Officer.

TERM OF CONTRACT – RIGHT TO USE WATER

2. (a) This Contract shall be effective as of October 1, 2020 ("Effective Date"), and shall continue so long as the Contractor pays applicable Rates and Charges under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable law;

(1) Provided, That the Contracting Officer shall not seek to terminate this Contract for failure to fully or timely pay applicable Rates and Charges by the Contractor, unless the Contracting Officer has first provided at least sixty (60) calendar days written notice to

the Contractor of such failure to pay and Contractor has failed to cure such failure to pay, or to diligently commence and maintain full curative payments satisfactory to the Contracting Officer within the sixty (60) calendar days' notice period;

(2) Provided, further, That the Contracting Officer shall not seek to suspend making water available or declaring water made available pursuant to this Contract for non-compliance by the Contractor with the terms of this Contract or Federal Reclamation law, unless the Contracting Officer has first provided at least thirty (30) calendar days written notice to the Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully cured within the thirty (30) calendar days' notice period. If the Contracting Officer has suspended making water available pursuant to this paragraph, upon cure of such noncompliance satisfactory to the Contracting Officer, the Contracting Officer shall resume making water available and declaring water made available pursuant to this Contract; (3) Provided further, That this Contract may be terminated at any time by mutual consent of the parties hereto.

(b) Upon complete payment of the Repayment Obligation by the Contractor, and notwithstanding any Additional Capital Obligation that may later be established, the acreage limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982 shall no longer be applicable to the Contractor pursuant to this Contract.

(c) Notwithstanding any provision of this Contract, the Contractor reserves and shall have all applicable rights and benefits under the Act of July 2, 1956 (70 Stat. 483) and the Act of June 21, 1963 (77.Stat. 68), to the extent allowed by law.

WATER TO BE FURNISHED TO THE CONTRACTOR

3. (a) The Contractor understands and agrees that the water supply provided pursuant to this Contract is an interim water supply. As the Basin use develops or if the interim water supply available to Central San Joaquin Water Conservation District pursuant to its contract with the United States is increased, the Contractor's interim water supply may be reduced for subsequent Years as determined by the Contracting Officer upon a minimum of one Year written notification to the Contractor. The Contractor's interim water supply also may be reduced; as determined by the Contracting Officer, to provide South Delta Water Agency an interim water supply in dry and critically dry water Years, as determined by the Contracting Officer, but only in the event that the United States and said Agency execute a contract for that interim water supply during those dry and critically dry water Years.

(b) Subject to the terms and conditions herein stated, the United States shall make available annually to the Contractor a maximum of 75,000 acre-feet of interim water: Provided, That this quantity may be increased pursuant to subdivisions (f) and (g) of this Article; Provided further, That if the total water quantity is reduced pursuant to subdivision (a) of this Article, the maximum and minimum quantities specified in subdivisions (c) and (d) shall be adjusted proportionately to such reduction or otherwise adjusted in a manner mutually agreed to by the Contracting Officer and the Contractor: And provided further, That in the event litigation by a third party prevents delivery of Project water for a period of time during the term of this Contract, upon approval of the Contracting Officer the minimum payments as described in subdivisions (c) and (d) of this Article during that same period shall be suspended.

(c) The United States shall make available to the Contractor the annual quantities of agricultural water up to a maximum quantity of 65,000 acre-feet as specified in the

schedule submitted by the Contractor in accordance with Article 4 and the Contractor shall pay for said water in accordance with Article 5: Provided, That the United States shall make available and the Contractor shall pay for, as a minimum, such quantities of agricultural water as specified below:

(1) Each Year, for the first five Years commencing with the Year in which the initial delivery date occurs pursuant to Article 2, the quantity of water specified in a schedule, or any revision thereof, submitted in accordance with Article 4.

(2) Each Year for Years 6 through 8 a minimum quantity of 22,750 acre-feet and for Years 9 and 10 the minimum quantity of 45,500 acre-feet: Provided, That if in any Year the Contractor schedules a quantity larger than the stated minimum, such increased quantity shall constitute a new minimum for each subsequent Year until such time as the above-stated minimums exceed that quantity.

(3) Each Year beginning in the 11th Year and continuing for the life of the contract, the quantity of water scheduled in the 11th Year (which quantity shall be at least equal to or greater than the quantity made available and paid for in the 10th Year except as reduced pursuant to subdivision (a) of this Article. In no event shall the annual quantity furnished for agricultural purposes exceed 65,000 acre—feet, except as provided pursuant to subdivisions (f) and (g) of this Article: Provided, That the United States shall not be obligated to furnish any quantity greater than the quantity scheduled in the 11th Year and such quantity shall constitute the new contract maximum for the remaining contract term.

(d) The United States shall make available to the Contractor the annual quantities of M&I Water up to a maximum quantity of 10,000 acre—feet as specified in the schedule submitted by the Contractor in accordance with Article 4 and the Contractor shall pay for

234 said water in accordance with Article 5: Provided, That the United States shall make available and
235 the Contractor shall pay for, as a minimum, such quantities of M&I Water as specified in the
236 following table except as reduced pursuant to subdivision (a) of this Article: Provided, however,
237 That at any time or times after the Contractor's requirement for M&I Water exceeds 10,000 acre-
238 feet per Year, any or all of the Project water to be furnished for agricultural use, as specified in
239 subdivision (c) of this Article, may be converted to M&I use and shall be added to said 10,000
240 acre-feet and shall become the minimum quantity the Contractor shall pay for as M&I Water each
241 Year thereafter during the term of this Contract. Any time or times water for agricultural use is
242 converted to M&I use, the minimum quantities of agricultural water for which payment is required
243 pursuant to subdivision (c) of this Article shall be adjusted accordingly. The parties agree that the
244 initial delivery date was in the Year 1995.

TABLE OF MINIMUM M&I WATER QUANTITIES
(In acre-feet)

Years Beginning With Initial Delivery Date	Minimum Annual M&I Water Delivery	Years Beginning With Initial Delivery Date	Minimum Annual M&I Water Delivery
1	100	21	8,700
2	200	22	9,400
3	300	23	10,000
4	400	24	10,000
5	500	25	10,000
6	600	26	10,000
7	700	27	10,000
8	800	28	10,000
9	900	29	10,000
10	1,000	30	10,000
11	1,700	31	10,000
12	2,400	32	10,000
13	3,100	33	10,000
14	3,800	34	10,000
15	4,500	35	10,000
16	5,200	36	10,000
17	5,900	37	10,000
18	6,600	38	10,000
19	7,300	39	10,000
20	8,000	40	10,000

(e) In any Year the Contractor schedules a quantity larger than the minimum stated in the Table of Minimum M&I Water Quantities for that Year, such scheduled quantity shall constitute a new minimum for each subsequent Year until such time as the minimum stated on the Table exceeds that quantity.

(f) The Contracting Officer will review the supplemental needs of the Contractor following restudy of the available groundwater and with the mutual agreement of the Contractor the maximum water quantity of 75,000 acre-feet may be adjusted: Provided, That said maximum quantity may be increased only if the Contracting Officer has determined that additional Project water is available: Provided, however, That the increase shall not cause the adjusted maximum quantity to exceed 90,000 acre-feet; And Provided further, That if the total water quantity is increased pursuant to this subdivision, the maximum and minimum annual quantities specified in subdivisions (c) and (d) of this Article shall be adjusted proportionately to such increase or otherwise adjusted in a manner mutually agreed to by the Contracting Officer and the Contractor.

(g) If the Contractor in any Year requires a quantity of water in addition to the maximum quantities stated in subdivisions (b), (c), and/or (d) herein which the United States is obligated to furnish, additional Project water, if available as determined by the Contracting Officer, may be furnished upon receipt of a schedule from the Contractor indicating the quantity of water and the desired time of delivery and appropriate payment. The furnishing by the United States and acceptance by the Contractor of such additional water shall neither entitle nor obligate the Contractor to receive or pay for such quantities in subsequent Years.

(h) The United States and the Contractor by mutual agreement may reduce the annual quantity of water which the United States is obligated to make available and the Contractor obligated to pay for during the remainder of the term of this Contract.

(i) The Contractor will use all proper methods to secure the economical and beneficial use of water furnished pursuant to this Contract.

(j) If in any Year after the Contracting Officer has approved a schedule or any revision thereof submitted by the Contractor, the United States is unable to furnish any of the water in the quantities and at the times requested in the schedule or revision thereof and the Contractor does not elect to receive and does not receive such water at other times during such Year, the Contractor shall be entitled to an adjustment as provided in Article 6.

(k) The Contractor's right pursuant to Federal Reclamation law and applicable State law to the reasonable and beneficial use of the Water Delivered pursuant to this Contract shall not be disturbed, and this Contract shall continue so long as the Contractor pays applicable Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding sentence shall affect the Contracting Officer's ability to impose shortages under Articles 8 or 9 of this Contract.

DELIVERY SCHEDULES

4. (a) For each Year the Contractor will submit a schedule, subject to the provisions of Article 3, indicating the amounts of agricultural and M&I Water required monthly. The first schedule shall be submitted 2 months prior to the initial delivery of water. Thereafter, annual schedules indicating monthly water requirements for the subsequent Years shall be submitted not later than November 1 of each Year or at such other times as determined by the Contracting Officer to assure coordination of Project operations. The United States shall attempt

to deliver water in accordance with said schedules or any revisions thereof satisfactory to the Contracting Officer which are submitted to the Contracting Officer within a reasonable time before the desired time of delivery. The inability, failure, or refusal of the Contractor to submit a schedule shall not relieve it of its payment obligations.

(b) If the Contractor during any month is furnished a quantity of water in addition to that which it has requested for such month in its schedule and accepts such additional water, the Contractor shall be deemed to have revised its schedule and ordered and obligated itself to pay for such additional water and the United States shall be deemed to have accepted such revision as satisfactory. As soon thereafter as possible the Contractor shall submit a revised schedule to the United States for the remaining quantity to be delivered during that Year.

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

5. (a) Notwithstanding the Contractor's full prepayment of the Repayment Obligation pursuant to Section 4011, subsection (a)(2)(A) and 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 B, 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 Rates, Charges, and Tiered Pricing Component in accordance with policies for Irrigation Water and 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 (M&I and Irrigation) and as four (4) approximately equal annual installments (Irrigation Only) to be repaid no later than three (3) Years after the Effective Date of this Contract as set forth in Exhibit C. The Repayment Obligation is due in lump sum within 60 days of the Effective Date as provided by the WIIN Act. The Irrigation Contractor must provide appropriate notice to the Contracting Officer in writing no later than thirty (30) days prior to November 30, 2020 if electing to repay the amount due using the lump sum alternative. If such notice is not provided by such date, the Contractor shall be deemed to have elected the installment payment alternative, in which case, the first such payment shall be made no later than November 30, 2020. The second payment shall be made no later than the first anniversary of the first payment date. The third payment shall be made no later than the second anniversary of the first payment date.

The final payment shall be made no later than October 1, 2023. If the installment payment option is elected by the Contractor, the Contractor may pre-pay the remaining portion of the Repayment Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using the same methodology as was used to compute the initial annual installment payment amount, which is illustrated in Exhibit C. Notwithstanding any Additional Capital Obligation that may later be established, receipt of the Contractor's payment of the Repayment Obligation to the United States shall fully and permanently satisfy the Existing Capital Obligation.

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

(1) If the collective Additional Capital Obligation properly assignable to the contractors exercising conversion under Section 4011 of the WIIN Act is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable to

the Contractor shall be repaid not more than five (5) Years after the Contracting Officer notifies the Contractor of the Additional Capital Obligation; Provided, That the reference to the amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

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

(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.

(c) The rates of payment to be made by the Contractor for water made available pursuant to this Contract shall be

(1) \$3.50 per acre—foot for agricultural water: Provided, That this rate shall be redetermined annually in accordance with Federal Reclamation law and the then current agricultural rate policy of the Project.

(2) \$9.00 per acre—foot for M&I Water: Provided, That this rate shall be redetermined annually in accordance with Federal Reclamation law and the then current M&I rate policy of the Project.

(d) (1) Beginning at such time as deliveries of Project Water in a Year exceed 80 percent of the Contract Total, then before the end of the month following the month of delivery the Contractor shall make an additional payment to the United States equal to the applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the Contract Total, shall equal one-half of the difference between the Rate established under subdivision (a) of this Article and the M&I Full Cost Water Rate. The Tiered Pricing Component for the amount of Water Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i) the Rate established under subdivision (a) of this Article and (ii) the M&I Full Cost Water Rate.

(2) Subject to the Contracting Officer's written approval, the Contractor may request and receive an exemption from such Tiered Pricing Components for Project Water delivered to produce a crop which the Contracting Officer determines will provide significant and quantifiable habitat values for waterfowl in fields where the water is used and the crops are produced; Provided, That the exemption from the Tiered Pricing Component for Irrigation Water shall apply only if such habitat values can be assured consistent with the purposes of the CVPIA through binding agreements executed with or approved by the

Contracting Officer prior to use of such water.

(3) For purposes of determining the applicability of the Tiered Pricing Component pursuant to this Article, Water Delivered shall include Project Water that the Contractor transfers to others but shall not include Project Water transferred to the Contractor, nor shall it include the additional water provided to the Contractor under the provisions of subdivision (f) of Article 3 of this Contract.

(e) At the time the Contractor submits the first schedules pursuant to Article 4 hereof to the Contracting Officer, the Contractor shall pay the amount payable for water to be delivered during the first two months. Before the end of the first month, or part thereof, of delivery of water pursuant to this Contract and before the end of each month thereafter, the Contractor shall pay for the water to be delivered in accordance with the latest approved schedules during the second month immediately following. Adjustments between the payment for the scheduled amounts of water and the payment for quantities delivered each month shall be made during the following month: Provided, That any revised schedule which increases the Contractor's water deliveries shall be accompanied with an appropriate payment to assure water is not delivered in advance of payment. By December 1 of each Year, the Contractor shall make any additional payment it is obligated to make for that Year pursuant to Article 3.

ADJUSTMENTS

6. The amount of any overpayment by the Contractor due to the quantity of water actually available for the Contractor during any Year, as determined by the Contracting Officer, having been less than the quantity for which the Contractor was required to pay shall be applied first to any accrued indebtedness then due and payable by the Contractor pursuant to this Contract. Any amount of such overpayment then remaining shall, at the option of the Contractor,

be refunded to the Contractor or credited upon amounts to become due to the United States from the Contractor under the provisions hereof in the ensuing Year. Such adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to have the right to the use of any of the water supply provided for herein.

POINT OF DIVERSION—MEASUREMENT AND RESPONSIBILITY
FOR DISTRIBUTION OF WATER

7. (a) The water to be furnished to the Contractor pursuant to this Contract will be released from Project facilities and diverted at such location or locations as mutually agreed to by the Contracting Officer and the Contractor.

(b) The Contractor shall construct and install, without cost or expense to the United States, facilities required by the Contractor to take and convey the water from the point or points of delivery. In the event the Contractor's facilities are installed, operated, and maintained on property of the United States, the Contractor will furnish for approval of the Contracting Officer drawings showing the construction to be performed by the Contractor at least 6 months before starting said construction. The Contractor will not commence construction of any facilities on the property of the United States without the Contracting Officer's written approval of the drawings submitted by the Contractor. It is specifically recognized and agreed that this Contract does not grant to the Contractor any right of access to Project water or to lands of the United States for any purpose except as provided herein for installation, operation, and maintenance of the Contractor's facilities to take Project water.

(c) All water diverted by the Contractor pursuant to this Contract shall be measured with equipment furnished, installed, operated, and maintained by the Contractor at the point or points of diversion established pursuant to subdivision (a) of this Article. The Contractor's maintenance program shall be approved by the Contracting Officer.

(d) M&I Water furnished to the Contractor and delivered to its customers shall be measured, or caused to be measured, by the Contractor at the point or points of delivery provided from the Contractor's facilities. All measuring equipment required to determine such quantities shall be furnished, installed, operated, and maintained by the Contractor without expense to the United States.

(e) Measuring equipment required by subdivisions (c) and (d) of this Article and its installation, maintenance, and use shall be approved by the Contracting Officer: Provided, That at least once each Year, or upon request of the Contracting Officer, the Contractor shall investigate the accuracy of all measuring equipment used pursuant to subdivisions (c) and (d) of this Article and shall correct any errors in measurement disclosed by such investigation. The United States shall be afforded reasonable opportunity to be present during the inspecting and testing procedure by the Contractor. The Contracting Officer shall have full and free access at all reasonable times to inspect said measuring equipment for the purpose of determining the accuracy and condition thereof. If said facilities are found to be defective or inaccurate, they shall be readjusted or repaired, or both, or replaced without expense to the United States. In the event the Contractor neglects or fails to make such repairs or replacements within a reasonable time as may be necessary to satisfy the operating requirements of the Contracting Officer, the Contracting Officer may cause the repairs or replacements to be made and the costs thereof charged to the Contractor, which charge the Contractor shall pay to the United States on or before March 1 of the Year following that in which the cost was incurred and a statement thereof furnished by the Contracting Officer to the Contractor.

(f) The Contractor shall maintain, in a manner satisfactory to the Contracting Officer, records of the quantities of water measured by the Contractor pursuant to subdivisions (c)

and (d) of this Article and will submit a report to the Contracting Officer before the 7th day of each month following the month in which water is so measured. The difference between the water measured by the Contractor pursuant to subdivision (d) and all water furnished by the Contracting Officer as measured pursuant to subdivision (c) shall be considered to be agricultural water.

(g) The United States shall not be responsible for the control, carriage, handling, use, disposal, or distribution of water beyond the delivery points and the Contractor shall hold the United States harmless on account of damage or claim of damage of any nature whatsoever, including property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such, water.

MAINTENANCE OF FLOWS AND LEVELS-TEMPORARY
RETURN FLOWS

8. (a) The United States shall make all reasonable efforts, consistent with the most efficient overall operation of, the Project, to furnish water to the Contractor at the delivery points established pursuant to Article 7.

(b) The United States may temporarily discontinue or reduce the quantity of water to be furnished to the Contractor as herein provided for the purposes of such investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part, thereof necessary for the furnishing of water to the Contractor, but so far as feasible the United States 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, however, That the United States shall use its best efforts to avoid any discontinuance or reduction in service. Upon resumption of service after such reduction or discontinuance and if requested by the Contractor, the United States will attempt, to deliver the quantity of water which would have been furnished hereunder in the absence of such discontinuance or reduction.

(c) The United States reserves the right to all waste, seepage, and return-flow water derived from water furnished to the Contractor which escapes or is discharged beyond boundaries of the Contractor's Service Area. Nothing herein shall be construed as claiming for the United States any right, as waste, seepage, or return flow, to water being used pursuant to this Contract for surface irrigation or underground storage within the Contractor's Service Area by the Contractor, or those claiming by or through the Contractor.

CONSTRAINTS ON THE AVAILABILITY OF WATER

9. (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 possible.

(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 (c) of Article 9, no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

(c) In any Year that the Contracting Officer determines that there is a shortage in the quantity of water available to customers of the United States from the New Melones Unit of the Project, the Contracting Officer will apportion available water among the water users capable of receiving water from said Unit, consistent with the existing contracts and Project authorizations. During such water short Years, the quantity of water available to the Contractor pursuant to the terms of this Contract shall be reduced, as necessary, to meet the full needs of the Basin contractors and the needs of Central San Joaquin Water Conservation District for its firm and interim water supply. The Contractors water supply may be further reduced to meet the needs of South Delta Water Agency pursuant to the terms of subdivision (a) of Article 3.

TRANSFERS OR EXCHANGES OF WATER

10. Water furnished to the Contractor pursuant to this Contract shall not be sold, exchanged, or otherwise disposed of for use outside the Contractor's Service Area without prior written consent of the Contracting Officer.

WATER ACQUIRED BY CONTRACTOR OTHER THAN FROM THE UNITED STATES

11. (a) Water or water rights now owned or hereafter acquired by the Contractor other than from the United States and Project water furnished pursuant to the terms of this Contract may be transported through distribution facilities of the Contractor if the Contracting Officer determines that such mingling is necessary to avoid a duplication of facilities: Provided, That such water is not transported through the Contractor's facilities constructed or financed by the United States. Notwithstanding such mingling, the provisions of this Contract shall apply only to the quantity of water furnished to the Contractor pursuant to the terms hereof and the quantity of water acquired by or available to the Contractor other than from the United States shall not in any manner be subject to the provisions of this Contract.

(b) With respect to the distribution works or portions thereof in which mingling is permitted as provided in subdivision (a) of this Article, the Contractor:

(1) At the request of the Contracting Officer, the Contractor will be responsible for the installation, operation, and maintenance of water measuring equipment at delivery points to excess lands and, further, will be responsible for the installation, operation and maintenance of similar equipment for measuring the water available to the Contractor or landowners within the Contractor's Service Area other than from the Project, and the Contracting Officer may check and inspect said equipment at any time; and

(2) Agrees that the quantity of water furnished to it by the United States during each 24-hour period will be delivered by the Contractor through the aforesaid outlets to eligible lands only. The Contractor shall be deemed to be in breach of this Article and Article 12 of this Contract if at any time there is furnished to all excess lands not covered by recordable contracts and served by the distribution works or portions thereof in which mingling is permitted, a quantity of water which is greater than that which the Contractor or landowners within the Contractor's Service Area have introduced into said system from the supply available other than pursuant to this Contract.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

12. The parties agree that the delivery of Irrigation Water or use of Federal facilities pursuant to this Contract is subject to Federal Reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa, *et seq.*), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal Reclamation law.

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

13. (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 hereunder 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.

CHARGES FOR DELINQUENT PAYMENTS

14. (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 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.

PROTECTION OF WATER AND AIR QUALITY

15. (a) 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.

(b) 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 its Project water Service Area.

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

EQUAL EMPLOYMENT OPPORTUNITY

16. 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 a 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 formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with 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 its books, records, and accounts by the Contracting Officer 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 the 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 (g) 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.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

17. (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 guidance 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 shall reserve 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.

WATER CONSERVATION

18. (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

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

(b) Should the amount of M&I Water Delivered pursuant to this Contract equal or exceed two thousand (2,000) acre-feet per Year, the Contractor shall implement the best management practices identified in the Mid-Pacific Region's then-existing water conservation and efficiency criteria for such M&I Water unless any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

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

BOOKS, RECORDS, AND REPORTS

19. The Contractor shall establish and maintain accounts and other books and records pertaining to the 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 official records relating to matters covered by this Contract.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

725 CHANGES IN CONTRACTOR'S SERVICE AREA OR ORGANIZATION

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

731 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

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

735 OFFICIALS NOT TO BENEFIT

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

739 CONFIRMATION OF CONTRACT

740 24. Promptly after execution of this Contract, the Contractor will provide to the
741 Contracting Officer a certified copy of a final decree of a court of competent jurisdiction in the
742 State of California, confirming the proceedings on the part of the Contractor for the authorization
743 of the execution of this Contract. This Contract shall not be binding on the United States until the
744 Contractor secures a final decree.

745 NOTICES

746 25. Any notice, demand, or request authorized or required by this Contract shall be
747 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
748 delivered to the Area Manager, Bureau of Reclamation, 7794 Folsom Dam Road, Folsom,
749 California 95630-1799, and on behalf of the United States, when mailed, postage prepaid, or
750 delivered to the Board of Directors of the Stockton-East Water District, Post Office Box 5157,
751 Stockton, California 95205. The designation of the addressee or the address may be changed by
752 notice given in the same manner as provided in this Article for other notices.

753 PRIVACY ACT COMPLIANCE

754 26. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)
755 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act
756 (43 C.F.R. § 2.45, et seq.) in maintaining landholder certification and reporting records required
757 to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the

758 Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to
759 43 C.F.R. § 426.18.

760 (b) With respect to the application and administration of the criminal penalty
761 provisions of the Privacy Act (5 U.S.C. § 552a(i)), the Contractor and the Contractor's employees
762 who are responsible for maintaining the certification and reporting records referenced in paragraph
763 (a) above are considered to be employees of the Department of the Interior. See
764 5 U.S.C. § 552a(m).

765 (c) The Contracting Officer or a designated representative shall provide the
766 Contractor with current copies of the Department of the Interior Privacy Act regulations and the
767 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-
768 31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of
769 information contained in the landholders' certification and reporting records.

770 (d) The Contracting Officer shall designate a full-time employee of the Bureau
771 of Reclamation to be the System Manager responsible for making decisions on denials pursuant to
772 43 C.F.R. §§ 2.61 and 2.64 and amendment requests pursuant to 43 C.F.R. § 2.72. The Contractor
773 is authorized to grant requests by individuals for access to their own records.

774 (e) The Contractor shall forward promptly to the System Manager each
775 proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of records filed
776 under 43 C.F.R. § 2.71; notify the requester accordingly of such referral; and provide the System
777 Manager with information and records necessary to prepare an appropriate response to the
778 requester. These requirements do not apply to individuals seeking access to their own certification
779 and reporting forms filed with the Contractor pursuant to 43 C.F.R. § 426.18 unless the requester
780 elects to cite the Privacy Act as authority for the request.

781 (f) Upon complete payment of the Repayment Obligation by the Contractor,
782 this Article 26 will no longer be applicable.

783 RECLAMATION REFORM ACT OF 1982

784 27. (a) Upon a Contractor's compliance with and discharge of the Repayment
785 Obligation pursuant to this Contract, subsections (a) and (b) of Section 213 of the Reclamation
786 Reform Act of 1982 (96 Stat. 1269) shall apply to affected lands.

787 (b) The obligation of a Contractor to pay the Additional Capital Obligation
788 shall not affect the Contractor's status as having repaid all of the construction costs assignable to

the Contractor or the applicability of subsections (a) and (b) of Section 213 of the Reclamation Reform Act of 1982 (96 Stat. 1269) once the Repayment Obligation is paid.

MEDIUM FOR TRANSMITTING PAYMENTS

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

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

INCORPORATION OF EXHIBITS

29. Exhibits A through C are attached hereto and incorporated herein by reference.

DRAFTING CONSIDERATIONS

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

CERTIFICATION OF NONSEGREGATED FACILITIES

31. The Contractor hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location under its control where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts

exceeding \$10,000 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES


A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. § 1001.

OPINIONS AND DETERMINATIONS

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

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

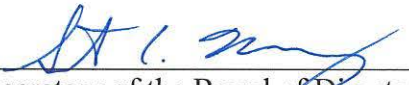
849 THE UNITED STATES OF AMERICA

850 By: 
851 Regional Director
852 Interior Region 10: California-Great Basin
853 Bureau of Reclamation


854 STOCKTON EAST WATER DISTRICT

855 By: 
856 President

857 Attest:

858 By: 
859 Secretary of the Board of Directors

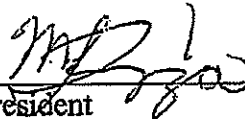
847 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day
848 and year first above written.

849 **APPROVED AS TO LEGAL FORM AND
SUFFICIENCY - REVIEWED BY:**

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

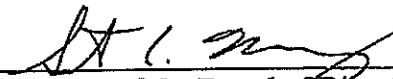
THE UNITED STATES OF AMERICA

850 By: _____
851 Regional Director
852 Interior Region 10: California-Great Basin
853 Bureau of Reclamation

854 STOCKTON EAST WATER DISTRICT

855 By:  _____
856 President

857 Attest:

858 By:  _____
859 Secretary of the Board of Directors

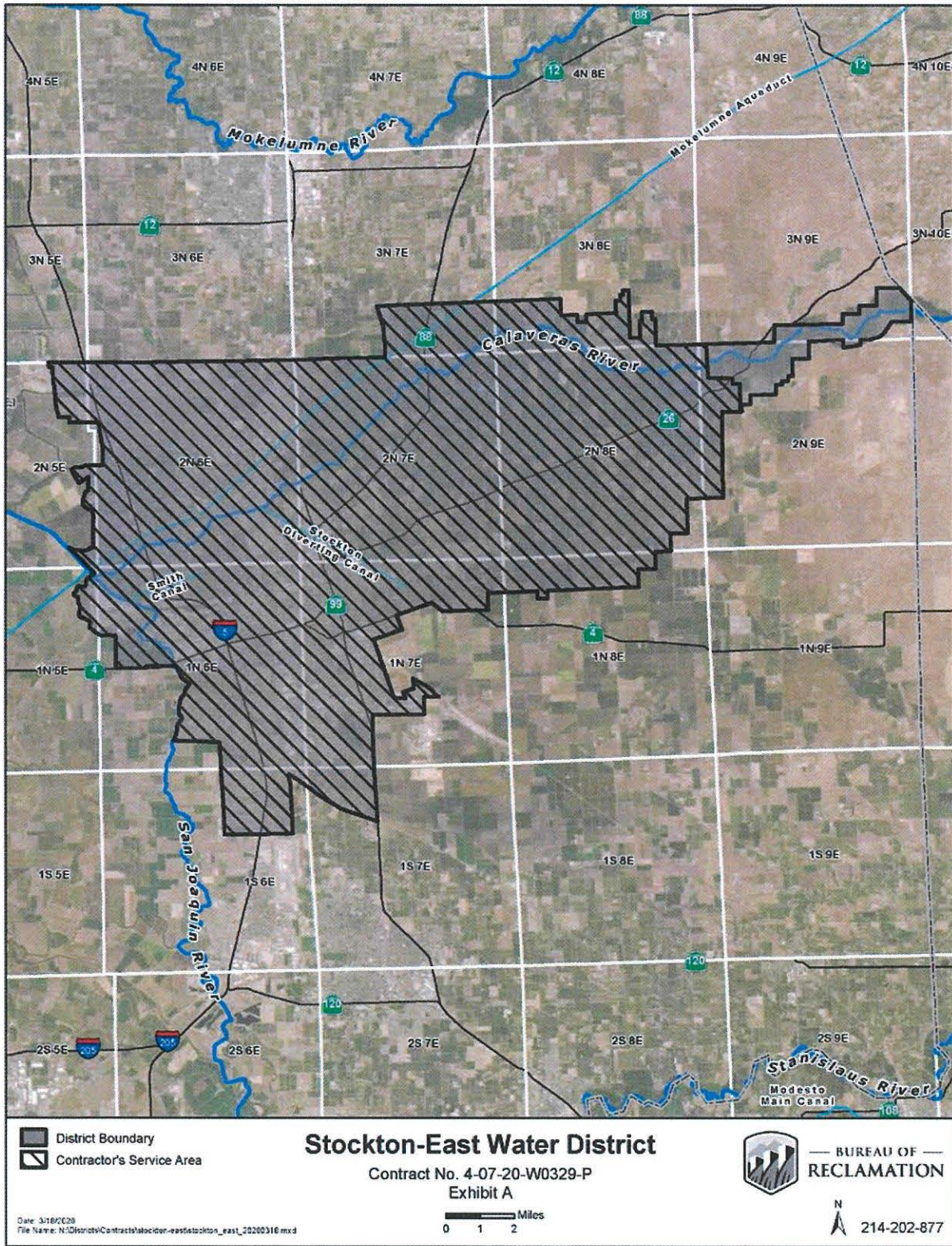


Exhibit A: Map of Stockton-East Water District, Contract No. 4-07-20-W0329-P

Exhibit B
STOCKTON EAST WATER DISTRICT
2019 Rates and Charges
(Per Acre-Foot)

	Irrigation Water	M&I Water
COST-OF-SERVICE (COS) RATE		
Construction Component	\$5.64	\$6.46
O&M Component		
Water Marketing	\$7.07	\$7.34
Storage	\$14.52	\$15.90
Deficit Cost Component	\$0.00	\$0.00
TOTAL COS RATE	\$27.23	\$29.70
IRRIGATION FULL COST RATE (RRA)		
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	\$30.57	N/A
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	\$33.42	N/A
CHARGES AND ASSESSMENTS (<i>Payments in Addition to Rates</i>)		
P.L. 102-575 Surcharges (Restoration Fund Payments) ¹ [Section 3407(d)(2)(A)]	\$10.63	\$21.26
P.L. 106-377 Assessment (Trinity Public Utilities District) ² [Appendix B, Section 203]	\$0.30	\$0.30

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 3/1/2019-2/28/2020 and is adjusted annually.

This Exhibit is unchanged from existing Contract and is updated annually. Rate Schedules may be found at:
<https://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

Additional details of the rate components are available on the Internet at

www.usbr.gov/mp/cvpwaterrates/ratebooks/special

Exhibit C

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

Unpaid Construction Cost from the 2020 Water Rate Books*

Contractor: Stockton East WD
 Facility: New Melones D&R
 Contract: 4-07-20-W0329

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)

	Unpaid Cost	Discount
Construction Cost (Excludes Intertie)	\$183,848	
2019 Repayment (Estimate)	** \$32,218	
Adjusted Construction Cost (Excludes Intertie)	\$151,630	\$142,173
Intertie Construction Cost	\$-	\$-
Total	\$151,630	\$142,173
If Paid in Installments (Used 20 yr CMT)		
Payment 1, Due: 12/13/2019		\$36,504
Payment 2, Due: 12/13/2020		\$36,504
Payment 3, Due: 12/13/2021		\$36,504
Payment 4, Due: 12/13/2022		\$36,504
Total Installment Payments		\$146,014
20 yr CMT Rates - 12/2/2019		2.150%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		1.075%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)

	Unpaid Cost
Construction Cost	\$1,448,720
2019 Repayment (Estimate) **	\$123,816
Adjusted Construction Cost***	\$1,324,904

Calculation Support: Irrigation Lump Sum or First Payment Due Date 12/13/2019
 Days Until the End of the Fiscal Year 292

	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
Fiscal Year	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2020	\$151,630	\$13,785	\$13,522	\$-	\$-	\$-	\$13,522
2021	\$137,845	\$13,785	\$13,493	\$-	\$-	\$-	\$13,493
2022	\$124,061	\$13,785	\$13,349	\$-	\$-	\$-	\$13,349
2023	\$110,276	\$13,785	\$13,207	\$-	\$-	\$-	\$13,207
2024	\$96,492	\$13,785	\$13,067	\$-	\$-	\$-	\$13,067
2025	\$82,707	\$13,785	\$12,928	\$-	\$-	\$-	\$12,928
2026	\$68,923	\$13,785	\$12,790	\$-	\$-	\$-	\$12,790
2027	\$55,138	\$13,785	\$12,654	\$-	\$-	\$-	\$12,654
2028	\$41,354	\$13,785	\$12,520	\$-	\$-	\$-	\$12,520
2029	\$27,569	\$13,785	\$12,387	\$-	\$-	\$-	\$12,387
2030	\$13,785	\$13,785	\$12,255	\$-	\$-	\$-	\$12,255
2031-63				\$-	\$-	\$-	\$-
Total, Lump Sum Payment			\$142,173	\$-	\$-	\$-	\$142,173
Amount of Reduction, Lump Sum			\$ 9,457			\$-	\$ 9,457

* 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.