

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

CONTRACT BETWEEN THE UNITED STATES
AND
WESTLANDS WATER DISTRICT
PROVIDING FOR PROJECT WATER SERVICE
FROM DELTA DIVISION AND FACILITIES REPAYMENT

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Exhibit A – Map of Contractor’s Service Area

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1 THIS CONTRACT, made this ____ day of _____, 20XX, in
2 pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof or
3 supplementary thereto, including but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
4 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
5 July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263),
6 October 27, 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of October 30, 1992
7 (106 Stat. 4706), as amended, and the Water Infrastructure Improvements for the Nation Act
8 (Public Law (Pub. L.) 114-322, 130 Stat. 1628), Section 4011 (a-d) and (f) (“WIIN Act”), all
9 collectively hereinafter referred to as Federal Reclamation law, between the UNITED STATES
10 OF AMERICA, hereinafter referred to as the United States, represented by the officer executing
11 this Contract, hereinafter referred to as the Contracting Officer, and WESTLANDS WATER
12 DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California,
13 duly organized, existing, and acting pursuant to the laws thereof;

14 WITNESSETH, That:

EXPLANATORY RECITALS

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[1st] WHEREAS, the United States has constructed and is operating the California Central Valley Project (Project), for diversion, storage, carriage, distribution, and beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation, and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, the United States constructed the Delta-Mendota Canal and related facilities, which will be used in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

[3rd] WHEREAS, the rights to Project Water were acquired by the United States pursuant to California law for operation of the Project; and

[4th] WHEREAS, the Oro Loma Water District (District) and the United States entered into Contract No. 14-06-200-7823, as amended, which established terms for the delivery provided the District, Project Water from the Delta Division facilities from April 7, 1959 to February 28, 1995; and

[5th] WHEREAS, the United States and the District have pursuant to Subsection 3404(c)(1) of the Central Valley Project Improvement Act (CVPIA), subsequently entered into interim renewal contract(s) identified as Contract No. 14-06-200-7823-IR1 and subsequent Interim Renewal Contracts 14-06-200-7823-IR2 through 14-

36 06-200-7823-IR8, which provided for water service to the District from March 1, 1995
37 through February 28, 2006; and

38 [6th] WHEREAS, the United States and the District entered into a long-term
39 contract identified as Contract No. 14-06-200-7823-LTR1, hereinafter referred to as the Long-
40 Term Contract, which provided for the continued water service to the District following
41 expiration of Contract No. 14-06-200-7823-IR8; and

42 [7th] WHEREAS, the Contractor and the District executed an agreement on
43 March 1, 2012, to provide for the partial assignment of 4,000 acre-feet of Project Water under
44 the District's Long-Term Contract 14-06-200-7823-LTR1; and

45 [8th] WHEREAS, the United States and the Contractor entered into
46 Contract No. 14-06-200-7823J as amended, hereinafter referred to as the Existing Contract,
47 which provided the Contractor, Project Water from the Project facilities from March 1, 2012,
48 through February 28, 2030, and which was in effect the date the WIIN Act was enacted; and

49 [9th] WHEREAS, on December 16, 2016, the 114th Congress of the United
50 States of America enacted the WIIN Act; and

51 [10th] WHEREAS, Section 4011(a)(1) provides that "upon request of the
52 contractor, the Secretary of the Interior shall convert any water service contract in effect on the
53 date of enactment of this subtitle and between the United States and a water users' association
54 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
55 mutually agreeable terms and conditions."; and

56 [11th] WHEREAS, Section 4011(a)(1) further provides that "the manner of
57 conversion under this paragraph shall be as follows: (A) Water service contracts that were

58 entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under
59 this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat.
60 1195)”; and “(B) Water service contracts that were entered under subsection (c)(2) of section 9
61 of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be
62 converted to a contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195).”; and

63 [12th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered
64 into pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service,
65 repayment, exchange and transfer contractual rights between the water users’ association
66 [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the
67 water users’ association [Contractor] and their landowners as provided under State law.”; and

68 [13th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
69 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water
70 service or repayment contractor to receive water; or (4) except as expressly provided in this
71 section, any obligations under the Federal Reclamation law, including the continuation of
72 Restoration Fund charges pursuant to section 3407(d) (Pub. L. 102-575), of the water service and
73 repayment contractors making prepayments pursuant to this section.”; and

74 [14th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
75 Secretary to convert irrigation water service contracts and municipal and industrial (M&I) water
76 service contracts into repayment contracts, amend existing repayment contracts, and allow
77 contractors to prepay their construction cost obligations pursuant to applicable Federal
78 Reclamation law; and

79 [15th] WHEREAS, the United States has determined that the Contractor
80 has fulfilled all of its obligations under the Existing Contract; and

81 [16th] WHEREAS, the Contractor has demonstrated to the satisfaction of the
82 Contracting Officer that the Contractor has utilized the Project Water supplies available
83 to it for reasonable and beneficial use and/or has demonstrated future demand for water
84 use such that the Contractor has the capability and expects to utilize fully for reasonable
85 and beneficial use the quantity of Project Water to be made available to it pursuant to
86 this Contract; and

87 [17th] WHEREAS, water obtained from the Project has been relied upon by
88 urban and agricultural areas within California for more than 50 years, and is considered
89 by the Contractor as an essential portion of its water supply; and

90 [18th] WHEREAS, the economies of regions within the Project, including the
91 Contractor's, depend upon the continued availability of water, including water service
92 from the Project; and

93 [19th] WHEREAS, the Secretary intends through coordination, cooperation, and
94 partnerships to pursue measures to improve water supply, water quality, and reliability of the
95 Project for all Project purposes; and

96 [20th] WHEREAS, the mutual goals of the United States and the Contractor
97 include: to provide for reliable Project Water supplies; to control costs of those supplies;
98 to achieve repayment of the Project as required by law; to guard reasonably against Project
99 Water shortages; to achieve a reasonable balance among competing demands for use of

100 Project Water; and to comply with all applicable environmental statutes, all consistent with
101 the legal obligations of the United States relative to the Project; and

102 [21st] WHEREAS, the parties intend by this Contract to maintain a cooperative
103 relationship in order to achieve their mutual goals; and

104 [22nd] WHEREAS, the Contractor has utilized or may utilize transfers, contract
105 assignments, rescheduling, and conveyance of Project Water and non-Project water under this
106 Contract as tools to minimize the impacts of a Condition of Shortage and to maximize the
107 beneficial use of water; and

108 [23rd] WHEREAS, the parties desire and intend that this Contract not provide a
109 disincentive to the Contractor in continuing to carry out the beneficial activities set out in
110 the Explanatory Recital immediately above; and

111 [24th] WHEREAS, the Contracting Officer and the Contractor agree that this
112 Contract complies with Section 4011 of the WIIN Act; and

113 [25th] WHEREAS, the Contracting Officer and the Contractor agree to amend
114 and convert the Existing Contract pursuant to section 4011 of the WIIN Act and other Federal
115 Reclamation law on the terms and conditions set forth below;

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

118 DEFINITIONS

119 1. When used herein unless otherwise distinctly expressed, or manifestly
120 incompatible with the intent of the parties as expressed in this Contract, the term:

121 (a) "Additional Capital Obligation" shall mean construction costs or other
122 capitalized costs incurred after the Effective Date or not reflected in the Existing Capital
123 Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B) and
124 (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130
125 Stat. 1628) ("WIIN Act");

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

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

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

134 (e) "Contracting Officer" shall mean the Secretary of the Interior's duly
135 authorized representative acting pursuant to this Contract or applicable Federal Reclamation law
136 or regulation;

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

139 (g) "Contractor's Service Area" shall mean the area to which the Contractor is
140 permitted to provide Project Water under this Contract as described in Exhibit "A"
141 attached hereto, which may be modified from time to time in accordance with Article 34
142 of this Contract without amendment of this Contract;

143 (h) “CVPIA” shall mean the Central Valley Project Improvement Act, Title
144 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

145 (i) “Delta Division Facilities” shall mean those existing and future Project
146 facilities in and south of the Sacramento-San Joaquin Rivers Delta, including, but not
147 limited to, the C.W. “Bill” Jones Pumping Plant, the O’Neill Forebay, the O’Neill
148 Pumping/Generating Plant, and the San Luis Reservoir, used to divert, store, and convey
149 water to those Project Contractors entitled to receive water conveyed through the Delta-
150 Mendota Canal;

151 (j) “Eligible Lands” shall mean all lands to which Irrigation Water may be
152 delivered in accordance with Section 204 of the Reclamation Reform Act of 1982 (96 Stat.
153 1263), as amended;

154 (k) “Excess Lands” shall mean all lands in excess of the limitations
155 contained in Section 204 of the Reclamation Reform Act of 1982, other than those lands
156 exempt from acreage limitation under Federal Reclamation law;

157 (l) “Existing Capital Obligation” shall mean the remaining amount of
158 construction costs or other capitalized costs allocable to the Contractor as described in section
159 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
160 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
161 dated **Month/Day/Year [specify ratebook year for all contractors.] [contractor specific to**
162 **address the intertie]**, as adjusted to reflect payments not reflected in such schedule. The
163 Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in
164 Exhibit “C”, which is incorporated herein by reference;

165 (m) “Full Cost Rate” shall mean an annual rate, as determined by the
166 Contracting Officer that shall amortize the expenditures for construction properly
167 allocable to the Project irrigation or M&I functions, as appropriate, of facilities in
168 service including all O&M deficits funded, less payments, over such periods as may be
169 required under Federal Reclamation law, or applicable contract provisions. Interest will
170 accrue on both the construction expenditures and funded O&M deficits from October 12,
171 1982, on costs outstanding at that date, or from the date incurred in the case of costs
172 arising subsequent to October 12 1982, and shall be calculated in accordance with
173 subsections 202(3)(B) and (3)(C) of the Reclamation Reform Act of 1982. The Full Cost
174 Rate includes actual operation, maintenance, and replacement costs consistent with
175 Section 426.2 of the Rules and Regulations for the Reclamation Reform Act of 1982;

176 (n) “Ineligible Lands” shall mean all lands to which Irrigation Water may
177 not be delivered in accordance with Section 204 of the Reclamation Reform Act of 1982;

178 (o) “Irrigation Full Cost Water Rate” shall mean the Full Cost Rate
179 applicable to the delivery of Irrigation Water;

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

183 (q) “Landholder” shall mean a party that directly or indirectly owns or
184 leases nonexempt land, as provided in 43 CFR 426.2;

185 (r) “Municipal and Industrial (M&I) Water” shall mean the use of Project
186 Water for municipal, industrial, and miscellaneous other purposes not falling under the
187 definition of “Irrigation Water” or within another category of water use under an
188 applicable Federal authority;

189 (s) "M&I Full Cost Water Rate" shall mean the Full Cost Rate
190 applicable to the delivery of M&I Water;

191 (t) "Operation and Maintenance" or "O&M" shall mean normal and
192 reasonable care, control, operation, repair, replacement (other than capital replacement),
193 and maintenance of Project facilities;

194 (u) "Operating Non-Federal Entity" shall mean the entity(ies), its (their)
195 successors or assigns, which has (have) the obligation to operate and maintain all or a
196 portion of the Delta Division Facilities pursuant to written agreement(s) with the United
197 States. When this Contract was entered into, the Operating Non-Federal Entity was the
198 San Luis & Delta-Mendota Water Authority;

199 (v) "Project" shall mean the Central Valley Project owned by the United
200 States and managed by the Department of the Interior, Bureau of Reclamation;

201 (w) "Project Contractors" shall mean all parties who have contracts for
202 water service for Project Water from the Project with the United States pursuant to Federal
203 Reclamation law;

204 (x) "Project Water" shall mean all water that is developed, diverted,
205 stored, or delivered by the Secretary in accordance with the statutes authorizing the
206 Project and in accordance with the terms and conditions of water rights acquired
207 pursuant to California law;

208 (y) "Rates" shall mean the payments determined annually by the
209 Contracting Officer in accordance with the then-current applicable water ratesetting
210 policies for the Project, as described in subdivision (a) of Article 7 of this Contract;

211 (z) “Recent Historic Average” shall mean the most recent five (5)-year
212 average of the final forecast of Water Made Available to the Contractor pursuant to this
213 Contract or its preceding contract(s);

214 (aa) “Repayment Obligation” for Water Delivered as Irrigation Water shall
215 mean the Existing Capital Obligation discounted by ½ of the Treasury rate, which shall be the
216 amount due and payable to the United States, pursuant to section 4011(a)(2)(A) of the WIIN Act;
217 and for Water Delivered as M&I Water shall mean the amount due and payable to the United
218 States, pursuant to section 4011(a)(3)(A) of the WIIN Act;

219 (bb) “Secretary” shall mean the Secretary of the Interior, a duly appointed
220 successor, or an authorized representative acting pursuant to any authority of the
221 Secretary and through any agency of the Department of the Interior;

222 (cc) “Tiered Pricing Component” shall be the incremental amount to be
223 paid for each acre-foot of Water Delivered as described in Article 7 of this Contract and
224 as provided for in Exhibit “B”;

225 (dd) “Water Delivered” or “Delivered Water” shall mean Project Water
226 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting
227 Officer;

228 (ee) “Water Made Available” shall mean the estimated amount of
229 Project Water that can be delivered to the Contractor for the upcoming Year as declared
230 by the Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

231 (ff) “Water Scheduled” shall mean Project Water made available to the
232 Contractor for which times and quantities for delivery have been established by the

233 Contractor and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract;
234 and

235 (gg) “Year” shall mean the period from and including March 1 of each
236 Calendar Year through the last day of February of the following Calendar Year.

237 TERM OF CONTRACT – RIGHT TO USE OF WATER

238 2. (a) This Contract shall be effective [Effective Date], hereinafter known as the
239 “Effective Date”, and shall continue so long as the Contractor pays applicable Rates and Charges
240 under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat.
241 1195) as applicable, and applicable law;

242 (1) Provided, That the Contracting Officer shall not seek to terminate
243 this Contract for failure to fully or timely pay applicable Rates and Charges by the Contractor,
244 unless the Contracting Officer has first provided at least sixty (60) calendar days written notice
245 to the Contractor of such failure to pay and the Contractor has failed to cure such failure to pay,
246 or to diligently commence and maintain full curative payments satisfactory to the Contracting
247 Officer within the sixty (60) calendar days’ notice period;

248 (2) Provided, further, That the Contracting Officer shall not seek to
249 suspend making water available or declaring Water Made Available pursuant to this Contract for
250 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the
251 Contracting Officer has first provided at least thirty (30) calendar days written notice to the
252 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence
253 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully
254 cured within the thirty (30) calendar days’ notice period. If the Contracting Officer has

255 suspended making water available pursuant to this paragraph, upon cure of such non-compliance
256 satisfactory to the to the Contracting Officer, the Contracting Officer shall resume making water
257 available and declaring Water Made Available pursuant to this Contract;

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

260 (b) Upon complete payment of the Repayment Obligation by the Contractor,
261 and notwithstanding any Additional Capital Obligation that may later be established, the acreage
262 limitations, reporting, and full cost pricing provisions of the Reclamation Reform Act of 1982,
263 and subdivisions (j) Eligible Lands, (k) Excess Lands, and (n) Ineligible Lands, of Article 1 of
264 this Contract shall no longer be applicable.

265 (c) Notwithstanding any provision of this Contract, the Contractor reserves
266 and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat. 483), to the extent
267 allowed by law.

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

271 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

272 3. (a) During each Year, consistent with all applicable State water rights
273 permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and
274 12 of this Contract, the Contracting Officer shall make available for delivery to the
275 Contractor 4,000 acre-feet of Project Water for irrigation and M&I purposes. Water

276 Delivered to the Contractor in accordance with this subdivision shall be scheduled and
277 paid for pursuant to the provisions of Articles 4 and 7 of this Contract.

278 (b) Because the capacity of the Project to deliver Project Water has been
279 constrained in recent years and may be constrained in the future due to many factors
280 including hydrologic conditions and implementation of Federal and State laws, the
281 likelihood of the Contractor actually receiving the amount of Project Water set out in
282 subdivision (a) of this Article in any given Year is uncertain. The Contracting Officer's
283 modeling referenced in the programmatic environmental impact statement prepared
284 pursuant to Section 3404(c) of the CVPIA projected that the Contract Total set forth in
285 this Contract will not be available to the Contractor in many years. During the most recent five
286 years prior to execution of Contract No. 14-06-200-7823-LTR1, the Recent Historic Average
287 Water Made Available to the District was 3,027 acre-feet. Nothing in this subdivision (b) of this
288 Article shall affect the rights and obligations of the parties under any provision of this Contract.

289 (c) The Contractor shall utilize the Project Water in accordance with all
290 applicable legal requirements.

291 (1) In the event any Project Contractor (other than a Cross Valley
292 Contractor) that receives Project Water through the Delta Division Facilities obtains a
293 contractual agreement that the Contracting Officer shall make Project Water available at
294 a point or points of delivery in or north of the Delta, at the request of the Contractor and
295 upon completion of any required environmental documentation, this Contract shall be
296 amended to provide for deliveries in or north of the Delta on mutually agreeable terms.
297 Such amendments to this Contract shall be limited solely to those changes made necessary by

298 the addition of such alternate points of delivery in or north of the Delta; Provided, That
299 the Contracting Officer's use of the Harvey O. Banks Pumping Plant to deliver Project
300 Water does not trigger this right of amendment.

301 (d) The Contractor shall make reasonable and beneficial use of all water
302 furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or
303 in lieu), groundwater banking programs, surface water storage programs, and other
304 similar programs utilizing Project Water or other water furnished pursuant to this
305 Contract conducted within the Contractor's Service Area which are consistent with
306 applicable State law and result in use consistent with Federal Reclamation law will be
307 allowed; Provided, That any direct recharge program(s) is (are) described in the
308 Contractor's water conservation plan submitted pursuant to Article 25 of this Contract;
309 Provided, further, That such water conservation plan demonstrates sufficient lawful uses
310 exist in the Contractor's Service Area so that using a long-term average, the quantity of
311 Delivered Water is demonstrated to be reasonable for such uses and in compliance with
312 Federal Reclamation law. Groundwater recharge programs, groundwater banking
313 programs, surface water storage programs, and other similar programs utilizing Project
314 Water or other water furnished pursuant to this Contract conducted outside the
315 Contractor's Service Area may be permitted upon written approval of the Contracting
316 Officer, which approval will be based upon environmental documentation, Project Water
317 rights, and Project operational concerns. The Contracting Officer will address such
318 concerns in regulations, policies, or guidelines.

319 (e) The Contractor shall comply with requirements applicable to the
320 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
321 of any water service contract between the Contracting Officer and the Contractor in effect
322 immediately prior to the Effective Date undertaken pursuant to Section 7 of the Endangered
323 Species Act of 1973 (ESA), as amended, that are within the Contractor's legal authority to
324 implement. The Existing Contract, which evidences in excess of 45 years of diversions for
325 irrigation and/or M&I purposes of the quantities of Project Water provided in subdivision (a) of
326 Article 3 of this Contract, will be considered in developing an appropriate baseline for any
327 required biological assessment(s) prepared pursuant to the ESA, and any other needed
328 environmental review. Nothing herein shall be construed to prevent the Contractor from
329 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any
330 biological opinion or other environmental documentation referred to in this Article.

331 (f) Following the declaration of Water Made Available under Article 4 of
332 this Contract, the Contracting Officer will make a determination whether Project Water, or
333 other water available to the Project, can be made available to the Contractor in addition to
334 the Contract Total under this Article during the Year without adversely impacting other
335 Project Contractors. At the request of the Contractor, the Contracting Officer will
336 consult with the Contractor prior to making such a determination. If the Contracting
337 Officer determines that Project Water, or other water available to the Project, can be
338 made available to the Contractor, the Contracting Officer will announce the availability of
339 such water and shall so notify the Contractor as soon as practical. The Contracting
340 Officer will thereafter meet with the Contractor and other Project Contractors capable of

341 taking such water to determine the most equitable and efficient allocation of such water.
342 If the Contractor requests the delivery of any quantity of such water, the Contracting
343 Officer shall make such water available to the Contractor in accordance with applicable
344 statutes, regulations, guidelines, and policies. Subject to existing long-term contractual
345 commitments, water rights, and operational constraints, long-term Project Contractors shall
346 have a first right to acquire such water, including Project Water made available pursuant
347 to Section 215 of the Reclamation Reform Act of 1982.

348 (g) The Contractor may request permission to reschedule for use during
349 the subsequent Year some or all of the Water Made Available to the Contractor during
350 the current Year, referred to as “rescheduled water.” The Contractor may request
351 permission to use during the current Year a quantity of Project Water which may be
352 made available by the United States to the Contractor during the subsequent Year referred
353 to as “preuse.” The Contracting Officer's written approval may permit such uses in
354 accordance with applicable statutes, regulations, guidelines, and policies.

355 (h) The Contractor’s right pursuant to Federal Reclamation law and
356 applicable State law to the reasonable and beneficial use of the Water Delivered pursuant to
357 this Contract shall not be disturbed, and this Contract shall continue so long as the
358 Contractor pays applicable Rates and Charges under this Contract consistent with Section
359 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable
360 law. Nothing in the preceding sentence shall affect the Contracting Officer’s ability to impose
361 shortages under Article 11 or subdivision (b) of Article 12 of this Contract.

362 (i) Project Water furnished to the Contractor pursuant to this Contract
363 may be delivered for purposes other than those described in subdivisions (p) and (r) of
364 Article 1 of this Contract upon written approval by the Contracting Officer in
365 accordance with the terms and conditions of such approval.

366 (j) The Contracting Officer shall make reasonable efforts to protect the
367 water rights necessary for the Project and to provide the water available under this Contract.
368 The Contracting Officer shall not object to participation by the Contractor, in the capacity
369 and to the extent permitted by law, in administrative proceedings related to the Project
370 Water rights; *Provided, That* the Contracting Officer retains the right to object to the
371 substance of the Contractor's position in such a proceeding; *Provided, further, That* in
372 such proceedings the Contracting Officer shall recognize the Contractor has a legal right
373 under the terms of this Contract to use Project Water.

374 TIME FOR DELIVERY OF WATER

375 4. (a) On or about February 20 each Calendar Year, the Contracting Officer
376 shall announce the Contracting Officer's expected declaration of the Water Made
377 Available. Such declaration will be expressed in terms of Water Made Available and
378 the Recent Historic Average and will be updated monthly, and more frequently if
379 necessary, based on the then-current operational and hydrologic conditions and a new
380 declaration with changes, if any, to the Water Made Available will be made. The
381 Contracting Officer shall provide forecasts of Project operations and the basis of the
382 estimate, with relevant supporting information, upon the written request of the
383 Contractor. Concurrently with the declaration of the Water Made Available, the

384 Contracting Officer shall provide the Contractor with the updated Recent Historic
385 Average.

386 (b) On or before each March 1 and at such other times as necessary, the
387 Contractor shall submit to the Contracting Officer a written schedule, satisfactory to the
388 Contracting Officer, showing the monthly quantities of Project Water to be delivered by
389 the United States to the Contractor pursuant to this Contract for the Year commencing
390 on such March 1. The Contracting Officer shall use all reasonable means to deliver
391 Project Water according to the approved schedule for the Year commencing on such
392 March 1.

393 (c) The Contractor shall not schedule Project Water in excess of the
394 quantity of Project Water the Contractor intends to put to reasonable and beneficial use
395 within the Contractor's Service Area or to sell, transfer, or exchange pursuant to Article
396 9 of this Contract during any Year.

397 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this
398 Contract, the United States shall deliver Project Water to the Contractor in accordance
399 with the initial schedule submitted by the Contractor pursuant to subdivision (b) of this
400 Article, or any written revision(s) thereto satisfactory to the Contracting Officer, submitted
401 within a reasonable time prior to the date(s) on which the requested change(s) is ~~(are)~~ to
402 be implemented.

403 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

404 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this
405 Contract shall be delivered to the Contractor at a point or points on the Delta-Mendota

406 Canal and any additional point or points of delivery either on Project facilities or another
407 location or locations mutually agreed to in writing by the Contracting Officer and the
408 Contractor.

409 (b) The Contracting Officer, either directly or indirectly through its
410 written agreements(s) with the Operating Non-Federal Entity(ies), shall make all
411 reasonable efforts to maintain sufficient flows and levels of water in the Project facilities
412 to deliver Project Water to the Contractor at the point or points of delivery established
413 pursuant to subdivision (a) of this Article.

414 (c) The Contractor shall deliver Irrigation Water in accordance with any
415 applicable land classification provisions of Federal Reclamation law and the associated
416 regulations. The Contractor shall not deliver Project Water to land outside the
417 Contractor's Service Area unless approved in advance by the Contracting Officer.

418 (d) All Water Delivered to the Contractor pursuant to this Contract shall
419 be measured and recorded with equipment furnished, installed, operated, and maintained
420 by the Contracting Officer either directly or indirectly through its written agreements(s)
421 with the Operating Non-Federal Entity(ies), unless undertaken by the Contractor with
422 the consent of the Contracting Officer at the point or points of delivery established
423 pursuant to subdivision (a) of this Article. Upon the request of either party to this
424 Contract, the Contracting Officer shall investigate, or cause to be investigated by the
425 appropriate Operating Non-Federal Entity(ies), the accuracy of such measurements and
426 shall take any necessary steps to adjust any errors appearing therein. For any period of
427 time when accurate measurements have not been made, the Contracting Officer shall

428 consult with the Contractor and the appropriate Operating Non-Federal Entity(ies), if any,
429 prior to making a final determination of the quantity delivered for that period of time.

430 (e) Absent a separate contrary written agreement with the Contractor,
431 neither the Contracting Officer nor any Operating Non-Federal Entity(ies) shall be
432 responsible for the control, carriage, handling, use, disposal, or distribution of Water
433 Delivered to the Contractor pursuant to this Contract beyond the point or points of
434 delivery established pursuant to subdivision (a) of this Article. The Contractor shall
435 indemnify the United States, its officers, employees, agents, and assigns on account of
436 damage or claim of damage of any nature whatsoever for which there is legal
437 responsibility, including property damage, personal injury, or death arising out of or
438 connected with the control, carriage, handling, use, disposal, or distribution of such Water
439 Delivered beyond such point or points of delivery except for any damage or claim arising
440 out of: (i) acts or omissions of the Contracting Officer or any of its officers, employees,
441 agents, and assigns, including the Operating Non-Federal Entity(ies) with the intent of
442 creating the situation resulting in any damage or claim; (ii) willful misconduct of the
443 Contracting Officer or any of its officers, employees, agents, and assigns, including the
444 Operating Non-Federal Entity(ies); (iii) negligence of the Contracting Officer or any of its
445 officers, employees, agents, and assigns, including the Operating Non-Federal Entity(ies); or
446 (iv) a malfunction of facilities owned and/or operated by the United States or the Operating
447 Non-Federal Entity(ies).

448 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

449 6. (a) The Contractor has established a measuring program satisfactory to
450 the Contracting Officer. The Contractor shall ensure that all surface water delivered for
451 irrigation purposes within the Contractor's Service Area is measured at each agricultural
452 turnout and such water delivered for M&I purposes is measured at each M&I service
453 connection. The water measuring devices or water measuring methods of comparable
454 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be
455 responsible for installing, operating, maintaining, and repairing all such measuring devices
456 and implementing all such water measuring methods at no cost to the United States. The
457 Contractor shall use the information obtained from such water measuring devices or
458 water measuring methods to ensure its proper management of the water; to bill water users for
459 water delivered by the Contractor; and, if applicable, to record water delivered for M&I
460 purposes by customer class as defined in the Contractor's water conservation plan
461 provided for in Article 25 of this Contract. Nothing herein contained, however, shall
462 preclude the Contractor from establishing and collecting any charges, assessments, or
463 other revenues authorized by California law. The Contractor shall include a summary of
464 all its annual surface water deliveries in the annual report described in subdivision (c) of
465 Article 25 of this Contract.

466 (b) To the extent the information has not otherwise been provided, upon
467 execution of this Contract, the Contractor shall provide to the Contracting Officer a written
468 report describing the measurement devices or water measuring methods being used or to
469 be used to implement subdivision (a) of this Article and identifying the agricultural

470 turnouts and the M&I service connections or alternative measurement programs
471 approved by the Contracting Officer, at which such measurement devices or water
472 measuring methods are being used, and, if applicable, identifying the locations at which
473 such devices and/or methods are not yet being used including a time schedule for
474 implementation at such locations. The Contracting Officer shall advise the Contractor
475 in writing within 60 days as to the adequacy and necessary modifications, if any, of the
476 measuring devices or water measuring methods identified in the Contractor's report and
477 if the Contracting Officer does not respond in such time, they shall be deemed adequate.
478 If the Contracting Officer notifies the Contractor that the measuring devices or methods
479 are inadequate, the parties shall within 60 days following the Contracting Officer's
480 response, negotiate in good faith the earliest practicable date by which the Contractor shall
481 modify said measuring devices and/or measuring methods as required by the Contracting
482 Officer to ensure compliance with subdivision (a) of this Article.

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

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

489 (e) The Contractor shall inform the Contracting Officer and the Operating
490 Non-Federal Entity(ies) on or before the 20th calendar day of each month of the quantity
491 of Irrigation Water and M&I Water taken during the preceding month.

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

492
493
494 7. (a) Notwithstanding the Contractor’s full prepayment of the
495 Repayment Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection
496 (a)(3)(A) of the WIIN Act, as set forth in Exhibit “C”, and any payments required
497 pursuant to section 4011, subsection (b) of the WIIN Act, to reflect the adjustment for
498 the final cost allocation as described in this Article, subsection (b), the Contractor’s
499 Project construction and other obligations shall be determined in accordance with: (i)
500 the Secretary’s ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's
501 then-existing ratesetting policy for M&I Water, consistent with the WIIN Act; and such
502 ratesetting policies shall be amended, modified, or superseded only through a public
503 notice and comment procedure; (ii) applicable Federal Reclamation law and associated
504 rules and regulations, or policies, and (iii) other applicable provisions of this Contract.
505 Payments shall be made by cash transaction, electronic funds transfers, or any other
506 mechanism as may be agreed to in writing by the Contractor and the Contracting Officer.
507 The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon
508 execution of this Contract are set forth in Exhibit “B”, as may be revised annually.

509 (1) The Contractor shall pay the United States as provided for in this
510 Article of this Contract for all Delivered Water at Rates, Charges, and Tiered Pricing
511 Component in accordance with policies for Irrigation Water and M&I Water. The Contractor’s
512 Rates shall be established to recover its estimated reimbursable costs included in the operation

513 and maintenance component of the Rate and amounts established to recover deficits and other
514 charges, if any, including construction costs as identified in the following subdivisions.

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

517 (A) The amount due and payable to the United States, pursuant
518 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been
519 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth
520 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual
521 installments (Irrigation Only) to be repaid no later than three (3) years after the Effective Date as
522 set forth in Exhibit "C". **There could be one or two exhibits in most cases due to more than**

523 **one service area [For Irrigation contractors and M&I contractors]** The Repayment
524 Obligation is due in lump sum by **[Month Day, Year]** as provided by the WIIN Act. The
525 Contractor must provide appropriate notice to the Contracting Officer in writing no later than
526 thirty (30) days prior to **[Month Day, Year] [Division Level: consider the effective date of**
527 **the contract being converted]** if electing to repay the amount due using the lump sum
528 alternative. If such notice is not provided by such date, the Contractor shall be deemed to have
529 elected the installment payment alternative, in which case, the first such payment shall be made
530 no later than **[Month Day, Year] [Division Level: consider the effective date of the contract**
531 **being converted]**. The second payment shall be made no later than the first anniversary of the
532 first payment date. The third payment shall be made no later than the second anniversary of the
533 first payment date. The final payment shall be made no later than **[Month Day, Year] [no later**
534 **than the third anniversary of the effective date of the contract]**. If the installment payment

535 option is elected by the Contractor, the Contractor may pre-pay the remaining portion of the
536 Repayment Obligation by giving the Contracting Officer sixty (60) days written notice, in which
537 case, the Contracting Officer shall re-compute the remaining amount due to reflect the pre-
538 payment using the same methodology as was used to compute the initial annual installment
539 payment amount, which is illustrated in Exhibit "C". Notwithstanding any Additional Capital
540 Obligation that may later be established, receipt of the Contractor's payment of the Repayment
541 Obligation to the United States shall fully and permanently satisfy the Existing Capital
542 Obligation.

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

555 (1) If the collective Additional Capital Obligation
556 properly assignable to the contractors exercising conversion under section 4011 of the WIIN Act

557 is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable
558 to the Contractor shall be repaid not more than five (5)-years after the Contracting Officer
559 notifies the Contractor of the Additional Capital Obligation; Provided, That the reference to the
560 amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

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

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

577 (c) The Contracting Officer shall notify the Contractor of the Rates, Charges,
578 and Tiered Pricing Component as follows:

579 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall
580 provide the Contractor an estimate of the Charges for Project Water that will be applied
581 to the period October 1, of the current Calendar Year, through September 30, of the
582 following Calendar Year, and the basis for such estimate. The Contractor shall be
583 allowed not less than two months to review and comment on such estimates. On or
584 before September 15 of each Calendar Year, the Contracting Officer shall notify the
585 Contractor in writing of the Charges to be in effect during the period October 1 of the current
586 Calendar Year, through September 30, of the following Calendar Year, and such
587 notification shall revise Exhibit "B."

588 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
589 shall make available to the Contractor an estimate of the Rates and Tiered Pricing Component
590 for Project Water for the following Year and the computations and cost allocations upon which
591 those Rates are based. The Contractor shall be allowed not less than two months to review and
592 comment on such computations and cost allocations. By December 31 of each Calendar Year,
593 the Contracting Officer shall provide the Contractor with the final Rates and Tiered Pricing
594 Component to be in effect for the upcoming Year, and such notification shall revise Exhibit "B."

595 (d) At the time the Contractor submits the initial schedule for the delivery of
596 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
597 Contractor shall make an advance payment to the United States equal to the total amount
598 payable pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the
599 Project Water scheduled to be delivered pursuant to this Contract during the first two
600 calendar months of the Year. Before the end of the first month and before the end of

601 each calendar month thereafter, the Contractor shall make an advance payment to the
602 United States, at the Rate(s) set under subdivision (a) of this Article, for the Water
603 Scheduled to be delivered pursuant to this Contract during the second month
604 immediately following. Adjustments between advance payments for Water Scheduled
605 and payments at Rates due for Water Delivered shall be made before the end of the
606 following month; *Provided, That* any revised schedule submitted by the Contractor
607 pursuant to Article 4 of this Contract which increases the amount of Water Delivered
608 pursuant to this Contract during any month shall be accompanied with appropriate
609 advance payment, at the Rates then in effect, to assure that Project Water is not
610 delivered to the Contractor in advance of such payment. In any month in which the
611 quantity of Water Delivered to the Contractor pursuant to this Contract equals the
612 quantity of Water Scheduled and paid for by the Contractor, no additional Project Water
613 shall be delivered to the Contractor unless and until an advance payment at the Rates
614 then in effect for such additional Project Water is made. Final adjustment between the
615 advance payments for the Water Scheduled and payments for the quantities of Water
616 Delivered during each Year pursuant to this Contract shall be made as soon as
617 practicable but no later than April 30th of the following Year, or 60 days after the
618 delivery of Project Water rescheduled under subdivision (g) of Article 3 of this Contract
619 if such water is not delivered by the last day of February.

620 (e) The Contractor shall also make a payment in addition to the Rate(s) in
621 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the
622 appropriate Tiered Pricing Component then in effect, before the end of the month following the

623 month of delivery; Provided, That the Contractor may be granted an exception from the
624 Tiered Pricing Component pursuant to subdivision (k)(2) of this Article. The payments
625 shall be consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in
626 the water delivery report for the subject month prepared by the Operating Non-Federal Entity or,
627 if there is no Operating Non-Federal Entity, by the Contracting Officer. The water delivery
628 report shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing
629 Component for Water Delivered. Adjustment for overpayment or underpayment of Charges
630 shall be made through the adjustment of payments due to the United States for Charges for the
631 next month. Any amount to be paid for past due payment of Charges and the Tiered Pricing
632 Component shall be computed pursuant to Article 19 of this Contract.

633 (f) The Contractor shall pay for any Water Delivered under subdivision
634 (a), (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer
635 pursuant to applicable statutes, associated regulations, any applicable provisions of
636 guidelines or ratesetting policies; Provided, That the Rate for Water Delivered under
637 subdivision (f) of Article 3 of this Contract shall be no more than the otherwise
638 applicable Rate for Irrigation Water or M&I Water under subdivision (a) of this Article.

639 (g) Payments to be made by the Contractor to the United States under this
640 Contract may be paid from any revenues available to the Contractor.

641 (h) All revenues received by the United States from the Contractor
642 relating to the delivery of Project Water or the delivery of non-Project water through
643 Project facilities shall be allocated and applied in accordance with Federal Reclamation
644 law and the associated rules or regulations, and the then-current Project ratesetting policies

645 for M&I Water or Irrigation Water.

646 (i) The Contracting Officer shall keep its accounts pertaining to the
647 administration of the financial terms and conditions of its long-term contracts, in accordance
648 with applicable Federal standards, so as to reflect the application of Project costs and
649 revenues. The Contracting Officer shall, each Year upon request of the Contractor,
650 provide to the Contractor a detailed accounting of all Project and Contractor expense
651 allocations, the disposition of all Project and Contractor revenues, and a summary of all
652 water delivery information. The Contracting Officer and the Contractor shall enter into
653 good faith negotiations to resolve any discrepancies or disputes relating to accountings,
654 reports, or information.

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

662 (k) (1) Beginning at such time as deliveries of Project Water in a Year
663 exceed 80 percent of the Contract Total, then before the end of the month following the month of
664 delivery the Contractor shall make an additional payment to the United States equal to the
665 applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water
666 Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the

667 Contract Total, shall equal one-half of the difference between the Rate established under
668 subdivision (a) of this Article and the Irrigation Full Cost Water Rate or M&I Full Cost Water
669 Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water
670 Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i)
671 the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water
672 Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to
673 subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract
674 Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in
675 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

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

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

689 (l) For the term of this Contract, Rates applied under the respective
690 ratesetting policies will be established to recover only reimbursable O&M (including any
691 deficits) and capital costs of the Project, as those terms are used in the then-current Project
692 ratesetting policies, and interest, where appropriate, except in instances where a minimum
693 Rate is applicable in accordance with the relevant Project ratesetting policy. Changes of
694 significance in practices which implement the Contracting Officer's ratesetting policies will
695 not be implemented until the Contracting Officer has provided the Contractor an opportunity
696 to discuss the nature, need, and impact of the proposed change.

697 (m) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the
698 CVPIA, the Rates for Project Water transferred by the Contractor shall be the
699 Contractor's Rates, in accordance with the applicable Project ratesetting policy, adjusted
700 upward or downward to reflect the changed costs, if any, incurred by the Contracting Officer
701 in the delivery of the transferred Project Water to the transferee's point of delivery. If the
702 Contractor is receiving lower Rates and Charges because of inability to pay and is
703 transferring Project Water to another entity whose Rates and Charges are not adjusted
704 due to inability to pay, the Rates and Charges for transferred Project Water shall not be
705 adjusted to reflect the Contractor's inability to pay.

706 (n) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting
707 Officer is authorized to adjust determinations of ability to pay every five years.

708 (o) With respect to the Rates for M&I Water, the Contractor asserts that it is
709 not legally obligated to pay any Project deficits claimed by the United States to have accrued as
710 of the date of this Contract or deficit-related interest charges thereon. By entering into this

711 Contract, the Contractor does not waive any legal rights or remedies that it may have with
712 respect to such disputed issues. Notwithstanding the execution of this Contract and payments
713 made hereunder, the Contractor may challenge in the appropriate administrative or judicial
714 forums; (1) the existence, computation, or imposition of any deficit charges accruing during the
715 term of the Existing Contract and any preceding interim renewal contracts, if applicable; (2)
716 interest accruing on any such deficits; (3) the inclusion of any such deficit charges or interest in
717 the Rates; (4) the application by the United States of payments made by the Contractor under its
718 Existing Contract and any preceding interim renewal contracts if applicable; and (5) the
719 application of such payments in the Rates. The Contracting Officer agrees that the Contractor
720 shall be entitled to the benefit of any administrative or judicial ruling in favor of any Project
721 M&I contractor on any of these issues, and credits for payments heretofore made, provided that
722 the basis for such ruling is applicable to the Contractor.

723 NON-INTEREST BEARING O&M DEFICITS

724 8. The Contractor and the Contracting Officer concur that, as of the Effective Date
725 the Contractor has no non-interest bearing O&M deficits and shall have no further
726 liability therefore.

727 SALES, TRANSFERS, OR EXCHANGES OF WATER

728 9. (a) The right to receive Project Water provided for in this Contract may be
729 sold, transferred, or exchanged to others for reasonable and beneficial uses within the
730 State of California if such sale, transfer, or exchange is authorized by applicable Federal
731 and State laws, and applicable guidelines or regulations then in effect. No sale, transfer,
732 or exchange of Project Water under this Contract may take place without the prior

733 written approval of the Contracting Officer, except as provided for in subdivision (b) of
734 this Article, and no such sales, transfers, or exchanges shall be approved absent all
735 appropriate environmental documentation, including, but not limited to, documents
736 prepared pursuant to the NEPA and ESA. Such environmental documentation should
737 include, as appropriate, an analysis of groundwater impacts and economic and social
738 effects, including environmental justice, of the proposed water transfers on both the
739 transferor and transferee.

740 (b) In order to facilitate efficient water management by means of water
741 transfers of the type historically carried out among Project Contractors located within the
742 same geographical area and to allow the Contractor to participate in an accelerated water
743 transfer program during the term of this Contract, the Contracting Officer shall prepare, as
744 appropriate, all necessary environmental documentation, including, but not limited to,
745 documents prepared pursuant to the NEPA and ESA, analyzing annual transfers within
746 such geographical areas and the Contracting Officer shall determine whether such
747 transfers comply with applicable law. Following the completion of the environmental
748 documentation, such transfers addressed in such documentation shall be conducted with
749 advance notice to the Contracting Officer, but shall not require prior written approval by
750 the Contracting Officer. Such environmental documentation and the Contracting
751 Officer's compliance determination shall be reviewed every five years and updated, as
752 necessary, prior to the expiration of the then existing five (5)-year period. All subsequent
753 environmental documentation shall include an alternative to evaluate not less than the quantity of
754 Project Water historically transferred within the same geographical area.

755 (c) For a water transfer to qualify under subdivision (b) of this Article, such
756 water transfer must: (i) be for irrigation purposes for lands irrigated within the previous three
757 years, for M&I use, groundwater recharge, groundwater banking, or similar groundwater
758 activities, surface water storage, or fish and wildlife resources; not lead to land
759 conversion; and be delivered to established cropland, wildlife refuges, groundwater basins, or
760 M&I use; (ii) occur within a single Year; (iii) occur between a willing seller and a willing
761 buyer; (iv) convey water through existing facilities with no new construction or
762 modifications to facilities and be between existing Project Contractors and/or the Contractor
763 and the United States, Department of the Interior; and (v) comply with all applicable
764 Federal, State, and local or tribal laws and requirements imposed for protection of the
765 environment and Indian Trust Assets, as defined under Federal law.

766 APPLICATION OF PAYMENTS AND ADJUSTMENTS

767 10. (a) The amount of any overpayment by the Contractor of the Contractor's
768 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current
769 liabilities of the Contractor arising out of this Contract then due and payable.
770 Overpayments of more than \$1,000 shall be refunded at the Contractor's request. In lieu of a
771 refund, any amount of such overpayment, at the option of the Contractor, may be credited
772 against amounts to become due to the United States by the Contractor. With respect to
773 overpayment, such refund or adjustment shall constitute the sole remedy of the Contractor or
774 anyone having or claiming to have the right to the use of any of the Project Water supply
775 provided for by this Contract. All credits and refunds of overpayments shall be made
776 within 30 days of the Contracting Officer obtaining direction as to how to credit or

777 refund such overpayment in response to the notice to the Contractor that it has finalized the
778 accounts for the Year in which the overpayment was made.

779 (b) All advances for miscellaneous costs incurred for work requested by the
780 Contractor pursuant to Article 24 of this Contract shall be adjusted to reflect the actual
781 costs when the work has been completed. If the advances exceed the actual costs incurred, the
782 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
783 advances, the Contractor will be billed for the additional costs pursuant to Article 24 of this
784 Contract.

785 TEMPORARY REDUCTIONS – RETURN FLOWS

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

791 (b) The Contracting Officer or Operating Non-Federal Entity(ies) may
792 temporarily discontinue or reduce the quantity of Water Delivered to the Contractor as
793 herein provided for the purposes of investigation, inspection, maintenance, repair, or
794 replacement of any of the Project facilities or any part thereof necessary for the delivery of
795 Project Water to the Contractor, but so far as feasible the Contracting Officer or Operating
796 Non-Federal Entity(ies) will give the Contractor due notice in advance of such temporary
797 discontinuance or reduction, except in case of emergency, in which case no notice need be
798 given; Provided, That the United States shall use its best efforts to avoid any

799 discontinuance or reduction in such service. Upon resumption of service after such
800 discontinuance or reduction, and if requested by the Contractor, the United States will, if
801 possible, deliver the quantity of Project Water which would have been delivered
802 hereunder in the absence of such discontinuance or reduction.

803 (c) The United States reserves the right to all seepage and return flow
804 water derived from Water Delivered to the Contractor hereunder which escapes or is
805 discharged beyond the Contractor's Service Area; *Provided, That* this shall not be construed
806 as claiming for the United States any right to seepage or return flow being put to
807 reasonable and beneficial use pursuant to this Contract within the Contractor's Service
808 Area by the Contractor or those claiming by, through, or under the Contractor.

809 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

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

821 (c) In any Year in which there may occur a Condition of Shortage for any of
822 the reasons specified in subdivision (b) of this Article, and subject to subdivision (d) of this
823 Article, the Contracting Officer will first allocate the available Project Water consistent
824 with the Project M&I Water Shortage Policy as finally adopted after environmental review for
825 determining the amount of Project Water Available for delivery to the Project

826 Contractors. Subject to the foregoing allocation, in any year in which there may occur a
827 Condition of Shortage, the Contracting Officer shall then apportion Project Water among
828 the Contractor and others entitled to Project Water from Delta Division Facilities under
829 long-term water service or repayment contracts (or renewals thereof or binding
830 commitments therefore) in force on February 28, 2005, as follows:

831 (1) The Contracting Officer shall make an initial and subsequent
832 determination as necessary of the total quantity of Project Water estimated to be
833 scheduled or actually scheduled under subdivision (b) of Article 4 of this Contract and
834 under all other interim renewal, long-term water service or repayment contracts then in
835 force for the delivery of Project Water by the United States from Delta Division Facilities
836 during the relevant Year, the quantity so determined being hereinafter referred to as the
837 scheduled total;

838 (2) A determination shall be made of the total quantity of Project
839 Water that is available for meeting the scheduled total, the quantity so determined being
840 hereinafter referred to as the available supply;

841 (3) The total quantity of Project Water estimated to be scheduled or
842 actually scheduled by the Contractor during the relevant Year, under subdivision (b) of
843 Article 4 of this Contract, shall be divided by the scheduled total, the quotient thus
844 obtained being hereinafter referred to as the Contractor's proportionate share; and

845 (4) The available supply shall be multiplied by the Contractor's
846 proportionate share and the result shall be the quantity of Project Water made available
847 by the United States to the Contractor for the relevant Year in accordance with the

848 schedule developed by the Contracting Officer under subdivision (c)(1) of this Article 12,
849 but in no event shall such amount exceed the Contract Total. In the event the
850 Contracting Officer subsequently determines that the Contracting Officer can increase or
851 needs to decrease the available supply for delivery from Delta Division Facilities to
852 long-term water service and repayment contractors during the relevant Year, such
853 additions or reductions to the available supply shall be apportioned consistent with
854 subparagraphs (1) through (4), inclusive.

855 (d) By entering into this Contract, the Contractor does not waive any legal
856 rights or remedies it may have to file or participate in any administrative or judicial
857 proceeding contesting: (i) the sufficiency of the Project M&I Water Shortage Policy; (ii)
858 the substance of such a policy; (iii) the applicability of such a policy; or (iv) the manner in
859 which such policy is implemented in order to allocate Project Water between M&I and
860 irrigation purposes; *Provided, That* the Contractor has commenced any such judicial
861 challenge or any administrative procedures necessary to institute any judicial challenge
862 within six months of the policy becoming final. By agreeing to the foregoing, the
863 Contracting Officer does not waive any legal defenses or remedies that it may have to
864 assert in such a proceeding. Nothing contained herein shall be interpreted to validate or
865 invalidate the Project M&I Water Shortage Policy.

866 UNAVOIDABLE GROUNDWATER PERCOLATION

867 13. (a) To the extent applicable, the Contractor shall not be deemed to have
868 delivered Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this
869 Contract if such lands are irrigated with groundwater that reaches the underground strata

870 as an unavoidable result of the delivery of Irrigation Water by the Contractor to Eligible
871 Lands.

872 (b) Upon complete payment of the Repayment Obligation by the Contractor,
873 this Article 13 shall no longer be applicable.

874 COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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

880 PROTECTION OF WATER AND AIR QUALITY

881 15. (a) Omitted

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

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

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

896 (e) Omitted

897 WATER ACQUIRED BY THE CONTRACTOR ~~OTHER THAN~~ FROM THE UNITED
898 STATES

899 16. (a) Water or water rights now owned or hereafter acquired by the Contractor
900 other than from the United States and Irrigation Water furnished pursuant to the terms of

901 this Contract may be simultaneously transported through the same distribution facilities
902 of the Contractor subject to the following: (i) if the facilities utilized for commingling
903 Irrigation Water and non-Project water were constructed without funds made available
904 pursuant to Federal Reclamation law, the provisions of Federal Reclamation law will be
905 applicable only to the Landholders of lands which receive Irrigation Water; (ii) the
906 eligibility of land to receive Irrigation Water must be established through the certification
907 requirements as specified in the Acreage Limitation Rules and Regulations (43 CFR Part
908 426); (iii) the water requirements of Eligible Lands within the Contractor's Service Area
909 can be established and the quantity of Irrigation Water to be utilized is less than or equal to
910 the quantity necessary to irrigate such Eligible Lands; and (iv) if the facilities utilized for
911 commingling Irrigation Water and non-Project water are (were) constructed with funds
912 made available pursuant to Federal Reclamation law, the non-Project water will be
913 subject to the acreage limitation provisions of Federal Reclamation law, unless the
914 Contractor pays to the United States the incremental fee described in 43 CFR 426.15. In
915 determining the incremental fee, the Contracting Officer will calculate annually the cost
916 to the Federal Government, including interest, of storing or delivering non-Project water,
917 which for purposes of this Contract shall be determined as follows: The quotient shall
918 be the unpaid distribution system costs divided by the total irrigable acreage within the
919 Contractor's Service Area. The incremental fee per acre is the mathematical result of
920 such quotient times the interest rate determined using Section 202 (3) of the Act of
921 October 12, 1982 (96 Stat. 1263). Such incremental fee will be charged to each acre of
922 excess or full-cost land within the Contractor's Service Area that receives non-Project

923 water through Federally financed or constructed facilities. The incremental fee calculation
924 methodology will continue during the term of this Contract absent the promulgation of a
925 contrary Bureau of Reclamation-wide rule, regulation, or policy adopted after the
926 Contractor has been afforded the opportunity to review and comment on the proposed
927 rule, regulation, or policy. If such rule, regulation, or policy is adopted, it shall supersede
928 this provision.

929 (b) Water or water rights now owned or hereafter acquired by the
930 Contractor, other than from the United States may be stored, conveyed, and/or diverted
931 through Project facilities, subject to the completion of appropriate environmental
932 documentation, with the approval of the Contracting Officer and the execution of any
933 contract determined by the Contracting Officer to be necessary, consistent with the
934 following provisions:

935 (1) The Contractor may introduce non-Project water into Project
936 facilities and deliver said water to lands within the Contractor's Service Area, including
937 Ineligible Lands, subject to payment to the United States and/or to any applicable
938 Operating Non-Federal Entity of an appropriate rate as determined by the applicable
939 Project ratesetting policy, the Reclamation Reform Act of 1982, and the Project use
940 power policy, if such Project use power policy is applicable, each as amended, modified, or
941 superseded from time to time.

942 (2) Delivery of such non-Project water in and through Project
943 facilities shall only be allowed to the extent such deliveries do not: (i) interfere with
944 other Project purposes as determined by the Contracting Officer; (ii) reduce the quantity or

945 quality of water available to other Project Contractors; (iii) interfere with the delivery of
946 contractual water entitlements to any other Project Contractors; or (iv) interfere with the
947 physical maintenance of the Project facilities.

948 (3) Neither the United States nor the Operating Non-Federal
949 Entity(ies) shall be responsible for control, care, or distribution of the non-Project water
950 before it is introduced into or after it is delivered from the Project facilities. The
951 Contractor hereby releases and agrees to defend and indemnify the United States and the
952 Operating Non-Federal Entity(ies), and their respective officers, agents, and employees,
953 from any claim for damage to persons or property, direct or indirect, resulting from the
954 act(s) of the Contractor, its officers, employees, agents, or assigns, in (i) extracting or
955 diverting non-Project water from any source, or (ii) diverting such non-Project water into
956 Project facilities.

957 (4) Diversion of such non-Project water into Project facilities shall
958 be consistent with all applicable laws, and if involving groundwater, consistent with any
959 applicable groundwater management plan for the area from which it was extracted.

960 (5) After Project purposes are met, as determined by the
961 Contracting Officer, the United States and Project Contractors entitled to Project Water
962 from Delta Division Facilities shall share priority to utilize the remaining capacity of the
963 facilities declared to be available by the Contracting Officer for conveyance and
964 transportation of non-Project water prior to any such remaining capacity being made
965 available to non-Project contractors. Other Project Contractors shall have a second priority
966 to any remaining capacity of facilities declared to be available by the Contracting Officer

967 for conveyance and transportation of non-Project water prior to any such remaining
968 capacity being made available to non-Project contractors.

969 (c) Upon complete payment of the Repayment Obligation by the
970 Contractor, subdivision (a) of this Article 16 shall no longer be applicable.

971 OPINIONS AND DETERMINATIONS

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

982 (b) The Contracting Officer shall have the right to make determinations
983 necessary to administer this Contract that are consistent with the provisions of this
984 Contract, the laws of the United States and of the State of California, and the rules and
985 regulations promulgated by the Secretary. Such determinations shall be made in
986 consultation with the Contractor to the extent reasonably practicable.

987 COORDINATION AND COOPERATION

988 18. (a) In order to further their mutual goals and objectives, the Contracting

989 Officer and the Contractor shall communicate, coordinate, and cooperate with each other,
990 and with other affected Project Contractors, in order to improve the O&M of the
991 Project. The communication, coordination, and cooperation regarding O&M shall
992 include, but not be limited to, any action which will or may materially affect the quantity
993 or quality of Project Water supply, the allocation of Project Water supply, and Project
994 financial matters including, but not limited to, budget issues. The communication,
995 coordination, and cooperation provided for hereunder shall extend to all provisions of
996 this Contract. Each party shall retain exclusive decision making authority for all actions,
997 opinions, and determinations to be made by the respective party.

998 (b) Within 120 days following the Effective Date, the Contractor, other
999 affected Project Contractors, and the Contracting Officer shall arrange to meet with
1000 interested Project Contractors to develop a mutually agreeable, written Project-wide
1001 process, which may be amended as necessary separate and apart from this Contract. The
1002 goal of this process shall be to provide, to the extent practicable, the means of mutual
1003 communication and interaction regarding significant decisions concerning Project O&M
1004 on a real-time basis.

1005 (c) In light of the factors referred to in subdivision (b) of Article 3 of this
1006 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out
1007 this intent:

1008 (1) The Contracting Officer will, at the request of the Contractor,
1009 assist in the development of integrated resource management plans for the Contractor.
1010 Further, the Contracting Officer will, as appropriate, seek authorizations for implementation

1011 of partnerships to improve water supply, water quality, and reliability.

1012 (2) The Secretary will, as appropriate, pursue program and project
1013 implementation and authorization in coordination with Project Contractors to improve the
1014 water supply, water quality, and reliability of the Project for all Project purposes.

1015 (3) The Secretary will coordinate with Project Contractors and the
1016 State of California to seek improved water resource management.

1017 (4) The Secretary will coordinate actions of agencies within the
1018 Department of the Interior that may impact the availability of water for Project purposes.

1019 (5) The Contracting Officer shall periodically, but not less than
1020 annually, hold division-level meetings to discuss Project operations, division-level water
1021 management activities, and other issues as appropriate.

1022 (d) Without limiting the contractual obligations of the Contracting Officer
1023 under the other Articles of this Contract, nothing in this Article shall be construed to limit
1024 or constrain the Contracting Officer's ability to communicate, coordinate, and cooperate
1025 with the Contractor or other interested stakeholders or to make decisions in a timely fashion
1026 as needed to protect health, safety, or the physical integrity of structures or facilities.

1027 CHARGES FOR DELINQUENT PAYMENTS

1028 19. (a) The Contractor shall be subject to interest, administrative, and penalty
1029 charges on delinquent payments. If a payment is not received by the due date, the
1030 Contractor shall pay an interest charge on the delinquent payment for each day the payment
1031 is delinquent beyond the due date. If a payment becomes 60 days delinquent, the
1032 Contractor shall pay, in addition to the interest charge, an administrative charge to
1033 cover additional costs of billing and processing the delinquent payment. If a payment is
1034 delinquent 90 days or more, the Contractor shall pay, in addition to the interest and
1035 administrative charges, a penalty charge for each day the payment is delinquent beyond the
1036 due date, based on the remaining balance of the payment due at the rate of 6 percent per

1037 year. The Contractor shall also pay any fees incurred for debt collection services associated
1038 with a delinquent payment.

1039 (b) The interest rate charged shall be the greater of either the rate prescribed
1040 quarterly in the Federal Register by the Department of the Treasury for application to
1041 overdue payments, or the interest rate of 0.5 percent per month. The interest rate charged
1042 will be determined as of the due date and remain fixed for the duration of the delinquent
1043 period.

1044 (c) When a partial payment on a delinquent account is received, the amount
1045 received shall be applied first to the penalty charges, second to the administrative charges,
1046 third to the accrued interest, and finally to the overdue payment.

1047 EQUAL EMPLOYMENT OPPORTUNITY

1048 20. During the performance of this Contract, the Contractor agrees as follows:

1049 (a) The Contractor will not discriminate against any employee or applicant
1050 for employment because of race, color, religion, sex, sexual orientation, gender identity, or
1051 national origin. The Contractor will take affirmative action to ensure that applicants are
1052 employed, and that employees are treated during employment, without regard to their race,
1053 color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall
1054 include, but not be limited to, the following: employment, upgrading, demotion, or
1055 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other
1056 forms of compensation; and selection for training, including apprenticeship. The Contractor
1057 agrees to post in conspicuous places, available to employees and applicants for employment,
1058 notices to be provided by the Contracting Officer setting forth the provisions of this
1059 nondiscrimination clause.

1060 (b) The Contractor will, in all solicitations or advertisements for employees
1061 placed by or on behalf of the Contractor, state that all qualified applicants will receive
1062 consideration for employment without regard to race, color, religion, sex, sexual orientation,
1063 gender identity, or national origin.

1064 (c) The Contractor will not discharge or in any other manner discriminate
1065 against any employee or applicant for employment because such employee or applicant has
1066 inquired about, discussed, or disclosed the compensation of the employee or applicant or
1067 another employee or applicant. This provision shall not apply to instances in which an
1068 employee who has access to the compensation information of other employees or applicants as
1069 part of such employee's essential job functions discloses the compensation of such other
1070 employees or applicants to individuals who do not otherwise have access to such information,
1071 unless such disclosure is in response to a formal complaint or charge, in furtherance of an
1072 investigation, proceeding, hearing, or action, including an investigation conducted by the
1073 employer, or is consistent with the Contractor's legal duty to furnish information.

1074 (d) The Contractor will send to each labor union or representative of
1075 workers with which it has a collective bargaining agreement or other contract or understanding,
1076 a notice, to be provided by the Contracting Officer, advising the labor union or workers'
1077 representative of the Contractor's commitments under section 202 of Executive Order No.
1078 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places
1079 available to employees and applicants for employment.

1080 (e) The Contractor will comply with all provisions of Executive Order No.
1081 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
1082 of Labor.

1083 (f) The Contractor will furnish all information and reports required by
1084 Executive Order No. 11246 of Sept. 24, 1965, and by the rules, regulations, and orders of
1085 the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and
1086 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation
1087 to ascertain compliance with such rules, regulations, and orders.

1088 (g) In the event of the Contractor's noncompliance with the
1089 nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this
1090 Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may
1091 be declared ineligible for further Government contracts in accordance with procedures
1092 authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may
1093 be imposed and remedies invoked as provided in Executive Order No. 11246 of Sept. 24,
1094 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by
1095 law.

1096 (h) The Contractor will include the provisions of paragraphs (a) through (g)
1097 in every subcontract or purchase order unless exempted by the rules, regulations, or orders
1098 of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of Sept.
1099 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
1100 Contractor will take such action with respect to any subcontract or purchase order as may be
1101 directed by the Secretary of Labor as a means of enforcing such provisions, including
1102 sanctions for noncompliance: *Provided, however, That* in the event the Contractor
1103 becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a
1104 result of such direction, the Contractor may request the United States to enter into such
1105 litigation to protect the interests of the United States.

1106 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

1107 21. (a) The obligation of the Contractor to pay the United States as provided in
1108 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
1109 obligation may be distributed among the Contractor's water users and notwithstanding the default
1110 of individual water users in their obligation to the Contractor.

1111 (b) The payment of charges becoming due pursuant to this Contract is a
1112 condition precedent to receiving benefits under this Contract. The United States shall not make
1113 water available to the Contractor through Project facilities during any period in which the
1114 Contractor is in arrears in the advance payment of water rates due the United States. The
1115 Contractor shall not deliver water under the terms and conditions of this Contract for lands or
1116 parties that are in arrears in the advance payment of water rates as levied or established by the
1117 Contractor.

1118 (c) With respect to subdivision (b) of this Article, the Contractor shall have no
1119 obligation to require advance payment for water rates which it levies.

1120 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

1121 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
1122 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
1123 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title
1124 III; 42 U.S.C. 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-
1125 336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
1126 applicable implementing regulations and any guidelines imposed by the U.S.
1127 Department of the Interior and/or Bureau of Reclamation.

1128 (b) These statutes prohibit any person in the United States from being
1129 excluded from participation in, being denied the benefits of, or being otherwise subjected to
1130 discrimination under any program or activity receiving financial assistance from the Bureau
1131 of Reclamation on the grounds of race, color, national origin, disability, or age. By
1132 executing this Contract, the Contractor agrees to immediately take any measures necessary
1133 to implement this obligation, including permitting officials of the United States to inspect
1134 premises, programs, and documents.

1135 (c) The Contractor makes this Contract in consideration of and for the
1136 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
1137 Federal financial assistance extended after the date hereof to the Contractor by the Bureau
1138 of Reclamation, including installment payments after such date on account of
1139 arrangements for Federal financial assistance which were approved before such date.
1140 The Contractor recognizes and agrees that such Federal assistance will be extended in
1141 reliance on the representations and agreements made in this Article and that the United
1142 States reserves the right to seek judicial enforcement thereof.

1143 (d) Complaints of discrimination against the Contractor shall be investigated
1144 by the Contracting Officer's Office of Civil Rights.

1145

PRIVACY ACT COMPLIANCE

1146 23. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)
1147 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy
1148 Act (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting
1149 records required to be submitted to the Contractor for compliance with Sections 206,
1150 224(c), and 228 of the Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and
1151 390zz), and pursuant to 43 C.F.R. § 426.18.

1152 (b) With respect to the application and administration of the criminal penalty
1153 provisions of the Privacy Act (5 U.S.C. § 552a(i)), the Contractor and the Contractor's
1154 employees who are responsible for maintaining the certification and reporting records
1155 referenced in paragraph (a) above are considered to be employees of the Department of the
1156 Interior. See 5 U.S.C. § 552a(m).

1157 (c) The Contracting Officer or a designated representative shall provide the
1158 Contractor with current copies of the Department of the Interior Privacy Act regulations
1159 and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice
1160 (Interior/WBR-31, Acreage Limitation) which govern the maintenance, safeguarding,
1161 and disclosure of information contained in the Landholders' certification and reporting
1162 records.

1163 (d) The Contracting Officer shall designate a full-time employee of the
1164 Bureau of Reclamation to be the System Manager responsible for making decisions on
1165 denials pursuant to 43 C.F.R. §§ 2.61 and 2.64 and amendment requests pursuant to 43
1166 C.F.R. § 2.72. The Contractor is authorized to grant requests by individuals for access to
1167 their own records.

1168 (e) The Contractor shall forward promptly to the System Manager each
1169 proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of
1170 records filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral;
1171 and provide the System Manager with information and records necessary to prepare an
1172 appropriate response to the requester. These requirements do not apply to individuals
1173 seeking access to their own certification and reporting forms filed with the Contractor
1174 pursuant to 43 C.F.R. § 426.18 unless the requester elects to cite the Privacy Act as an
1175 authority for the request.

1176 (f) Upon complete payment of the Repayment Obligation by the
1177 Contractor, this Article 23 will no longer be applicable.

1178 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

1179 24. In addition to all other payments to be made by the Contractor pursuant to this
1180 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill
1181 and detailed statement submitted by the Contracting Officer to the Contractor for such
1182 specific items of direct cost incurred by the United States for work requested by the
1183 Contractor associated with this Contract plus indirect costs in accordance with applicable
1184 Bureau of Reclamation policies and procedures. All such amounts referred to in this
1185 Article shall not exceed the amount agreed to in writing in advance by the Contractor.
1186 This Article shall not apply to costs for routine contract administration.

1187 WATER CONSERVATION

1188 25. (a) Prior to the delivery of water provided from or conveyed through
1189 Federally constructed or Federally financed facilities pursuant to this Contract, the
1190 Contractor shall develop a water conservation plan, as required by subsection 210(b) of the
1191 Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and
1192 Regulations).

1193 Additionally, an effective water conservation and efficiency program shall be based on the
1194 Contractor's water conservation plan that has been determined by the Contracting Officer to
1195 meet the conservation and efficiency criteria for evaluating water conservation plans
1196 established under Federal law. The water conservation and efficiency program shall
1197 contain definite water conservation objectives, appropriate economically feasible water
1198 conservation measures, and time schedules for meeting those objectives. Continued
1199 Project Water delivery pursuant to this Contract shall be contingent upon the
1200 Contractor's continued implementation of such water conservation program. In the
1201 event the Contractor's water conservation plan or any revised water conservation plan

1202 completed pursuant to subdivision (d) of this Article 25 have not yet been determined by
1203 the Contracting Officer to meet such criteria, due to circumstances which the
1204 Contracting Officer determines are beyond the control of the Contractor, water deliveries
1205 shall be made under this Contract so long as the Contractor diligently works with the
1206 Contracting Officer to obtain such determination at the earliest practicable date, and
1207 thereafter the Contractor immediately begins implementing its water conservation and
1208 efficiency program in accordance with the time schedules therein.

1209 (b) Should the amount of M&I Water delivered pursuant to subdivision
1210 (a) of Article 3 of this Contract equal or exceed two thousand (2,000) acre-feet per Year,
1211 the Contractor shall implement the Best Management Practices identified by the time
1212 frames issued by the Mid-Pacific Region's then-existing conservation and efficiency
1213 criteria for such M&I Water unless any such practice is determined by the Contracting
1214 Officer to be inappropriate for the Contractor.

1215 (c) The Contractor shall submit to the Contracting Officer a report on the
1216 status of its implementation of the water conservation plan on the reporting dates specified in the
1217 then-existing conservation and efficiency criteria established under Federal law.

1218 (d) At five (5)-year intervals, the Contractor shall revise its water
1219 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
1220 water conservation plans established under Federal law and submit such revised water
1221 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
1222 will then determine if the water conservation plan meets the Bureau of Reclamation's then-

1223 existing conservation and efficiency criteria for evaluating water conservation plans established
1224 under Federal law.

1225 (e) If the Contractor is engaged in direct groundwater recharge, such activity
1226 shall be described in the Contractor's water conservation plan.

1227 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

1228 26. Except as specifically provided in Article 16 of this Contract, the provisions
1229 of this Contract shall not be applicable to or affect non-Project water or water rights now owned
1230 or hereafter acquired by the Contractor or any user of such water within the Contractor's Service
1231 Area. Any such water shall not be considered Project Water under this Contract. In addition,
1232 this Contract shall not be construed as limiting or curtailing any rights which the Contractor or
1233 any water user within the Contractor's Service Area acquires or has available under any other
1234 contract pursuant to Federal Reclamation law.

1235 OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

1236 27. (a) The O&M of a portion of the Project facilities which serve the Contractor,
1237 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1238 San Luis & Delta-Mendota Water Authority, an Operating Non-Federal Entity by separate
1239 agreement (8-07-20-X0354-X) between the United States and Operating Non-Federal Entity San
1240 Luis & Delta-Mendota Water Authority. That separate agreement shall not interfere with or
1241 affect the rights or obligations of the Contractor or the United States hereunder.

1242 (b) The Contracting Officer has previously notified the Contractor in
1243 writing that the Operation and Maintenance of a portion of the Project facilities which
1244 serve the Contractor has been transferred to the Operating Non-Federal Entity San Luis &

1245 Delta-Mendota Water Authority, and therefore, the Contractor shall pay directly to the
1246 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority, or to any
1247 successor approved by the Contracting Officer under the terms and conditions of the
1248 separate agreement between the United States and the Operating Non-Federal Entity San
1249 Luis & Delta-Mendota Water Authority described in subdivision (a) of this Article, all rates,
1250 charges, or assessments of any kind, including any assessment for reserve funds, which the
1251 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or such successor
1252 determines, sets, or establishes for the Operation and Maintenance of the portion of the Project
1253 facilities operated and maintained by the Operating Non-Federal Entity San Luis & Delta-
1254 Mendota Water Authority or such successor. Such direct payments to Operating Non-Federal
1255 Entity San Luis & Delta-Mendota Water Authority or such successor shall not relieve the
1256 Contractor of its obligation to pay directly to the United States the Contractor's share of
1257 the Project Rates, Charges, and Tiered Pricing Component except to the extent the
1258 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority collects payments
1259 on behalf of the United States in accordance with the separate agreement identified in
1260 subdivision (a) of this Article.

1261 (c) For so long as the O&M of any portion of the Project facilities
1262 serving the Contractor is performed by Operating Non-Federal Entity San Luis &
1263 Delta-Mendota Water Authority, or any successor thereto, the Contracting Officer
1264 shall adjust those components of the Rates for Water Delivered under this Contract
1265 representing the cost associated with the activity being performed by Operating Non-
1266 Federal Entity San Luis & Delta-Mendota Water Authority or its successor.

1267 (d) In the event the Operation and Maintenance of the Project facilities
1268 operated and maintained by the Operating Non-Federal Entity San Luis & Delta-Mendota
1269 Water Authority is re-assumed by the United States during the term of this Contract, the
1270 Contracting Officer shall so notify the Contractor, in writing, and present to the
1271 Contractor a revised Exhibit "B" which shall include the portion of the Rates to be paid
1272 by the Contractor for Project Water under this Contract representing the Operation and
1273 Maintenance costs of the portion of such Project facilities which have been re-assumed. The
1274 Contractor shall, thereafter, in the absence of written notification from the Contracting Officer to
1275 the contrary, pay the Rates, Charges, and Tiered Pricing Component specified in the revised
1276 Exhibit "B" directly to the United States in compliance with Article 7 of this Contract.

1277 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1278 28. The expenditure or advance of any money or the performance of any obligation of
1279 the United States under this Contract shall be contingent upon appropriation or allotment
1280 of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor
1281 from any obligations under this Contract. No liability shall accrue to the United States in case
1282 funds are not appropriated or allotted.

1283 BOOKS, RECORDS, AND REPORTS

1284 29. (a) The Contractor shall establish and maintain accounts and other books and
1285 records pertaining to administration of the terms and conditions of this Contract, including
1286 the Contractor's financial transactions; water supply data; project operations, maintenance, and
1287 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop
1288 census), land-ownership, land-leasing, and water-use data; and other matters that the
1289 Contracting Officer may require. Reports shall be furnished to the Contracting Officer
1290 in such form and on such date or dates as the Contracting Officer may require. Subject to
1291 applicable Federal laws and regulations, each party to this Contract shall have the right during
1292 office hours to examine and make copies of the other party's books and records relating to
1293 matters covered by this Contract.

1294 (b) Notwithstanding the provisions of subdivision (a) of this Article, no
1295 books, records, or other information shall be requested from the Contractor by the

1296 Contracting Officer unless such books, records, or information are reasonably related to the
1297 administration or performance of this Contract. Any such request shall allow the Contractor a
1298 reasonable period of time within which to provide the requested books, records, or
1299 information.

1300 (c) At such time as the Contractor provides information to the Contracting
1301 Officer pursuant to subdivision (a) of this Article, a copy of such information shall be provided
1302 to the Operating Non-Federal Entity(ies).

1303 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

1304 30. (a) The provisions of this Contract shall apply to and bind the successors and
1305 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
1306 therein by either party shall be valid until approved in writing by the other party.

1307 (b) The assignment of any right or interest in this Contract by either party
1308 shall not interfere with the rights or obligations of the other party to this Contract absent the
1309 written concurrence of said other party.

1310 (c) The Contracting Officer shall not unreasonably condition or withhold
1311 approval of any proposed assignment.

1312 SEVERABILITY

1313 31. In the event that a person or entity who is neither (i) a party to a Project contract,
1314 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii)
1315 an association or other form of organization whose primary function is to represent parties to
1316 Project contracts, brings an action in a court of competent jurisdiction challenging the
1317 legality or enforceability of a provision included in this Contract and said person, entity,
1318 association, or organization obtains a final court decision holding that such provision is

1319 legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in
1320 support of the plaintiff(s), the parties to this Contract shall use their best efforts to (i)
1321 within 30 days of the date of such final court decision identify by mutual agreement the
1322 provisions in this Contract which must be revised and (ii) within three months thereafter
1323 promptly agree on the appropriate revision(s). The time periods specified above may be
1324 extended by mutual agreement of the parties. Pending the completion of the actions
1325 designated above, to the extent it can do so without violating any applicable provisions of
1326 law, the United States shall continue to make the quantities of Project Water specified in this
1327 Contract available to the Contractor pursuant to the provisions of this Contract which were not
1328 found to be legally invalid or unenforceable in the final court decision.

1329 RESOLUTION OF DISPUTES

1330 32. Should any dispute arise concerning any provisions of this Contract, or the
1331 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt
1332 to resolve the dispute. Prior to the Contractor commencing any legal action, or the
1333 Contracting Officer referring any matter to the Department of Justice, the party shall
1334 provide to the other party 30 days' written notice of the intent to take such action;
1335 *Provided, That* such notice shall not be required where a delay in commencing an action
1336 would prejudice the interests of the party that intends to file suit. During the 30-day
1337 notice period, the Contractor and the Contracting Officer shall meet and confer in an
1338 attempt to resolve the dispute. Except as specifically provided, nothing herein is intended
1339 to waive or abridge any right or remedy that the Contractor or the United States may have.

1340

OFFICIALS NOT TO BENEFIT

1341 33. No Member of or Delegate to the Congress, Resident Commissioner, or official of
1342 the Contractor shall benefit from this Contract other than as a water user or landowner in the
1343 same manner as other water users or landowners.

1344

CHANGES IN CONTRACTOR’S ORGANIZATION AND/OR SERVICE AREA

1345 34. (a) While this Contract is in effect, no change may be made in the
1346 Contractor's Service Area or organization, by inclusion or exclusion of lands or by any other
1347 changes which may affect the respective rights, obligations, privileges, and duties of either the
1348 United States or the Contractor under this Contract, including, but not limited to, dissolution,
1349 consolidation, or merger, except upon the Contracting Officer's written consent.

1350 (b) Within 30 days of receipt of a request for such a change, the Contracting
1351 Officer will notify the Contractor of any additional information required by the Contracting
1352 Officer for processing said request, and both parties will meet to establish a mutually agreeable
1353 schedule for timely completion of the process. Such process will analyze whether the proposed
1354 change, is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;
1355 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or
1356 to pay for any Federally-constructed facilities for which the Contractor is responsible; and (iii)
1357 have an impact on any Project Water rights applications, permits, or licenses. In addition,
1358 the Contracting Officer shall comply with the NEPA and the ESA. The Contractor will
1359 be responsible for all costs incurred by the Contracting Officer in this process, and such
1360 costs will be paid in accordance with Article 24 of this Contract.

1361

FEDERAL LAWS

1362 35. By entering into this Contract, the Contractor does not waive its rights to contest
1363 the validity or application in connection with the performance of the terms and
1364 conditions of this Contract of any Federal law or regulation; Provided, That the

1365 Contractor agrees to comply with the terms and conditions of this Contract unless and
1366 until relief from application of such Federal law or regulation to the implementing
1367 provision of the Contract is granted by a court of competent jurisdiction.

1368 RECLAMATION REFORM ACT OF 1982

1369 36. (a) Upon a Contractor's compliance with and discharge of the Repayment
1370 Obligation pursuant to this Contract, subsections (a) and (b) of Section 213 of the Reclamation
1371 Reform Act of 1982 (96 Stat. 1269) shall apply to affected lands.

1372 (b) The obligation of a Contractor to pay the Additional Capital Obligation
1373 shall not affect the Contractor's status as having repaid all of the construction costs assignable to
1374 the Contractor or the applicability of subsections (a) and (b) of section 213 of the Reclamation
1375 Reform Act of 1982 (96 Stat. 1269) once the Repayment Obligation is paid.

1376 CERTIFICATION OF NONSEGREGATED FACILITIES

1377 37. The Contractor hereby certifies that it does not maintain or provide for its
1378 employees any segregated facilities at any of its establishments and that it does not permit its
1379 employees to perform their services at any location under its control where segregated facilities
1380 are maintained. It certifies further that it will not maintain or provide for its employees any
1381 segregated facilities at any of its establishments and that it will not permit its employees to
1382 perform their services at any location under its control where segregated facilities are
1383 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
1384 Employment Opportunity clause in this Contract. As used in this certification, the term
1385 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,
1386 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
1387 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
1388 facilities provided for employees which are segregated by explicit directive or are in fact
1389 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
1390 disability, or otherwise. The Contractor further agrees that (except where it has obtained
1391 identical certifications from proposed subcontractors for specific time periods) it will obtain
1392 identical certifications from proposed subcontractors prior to the award of subcontracts
1393 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
1394 Opportunity clause; that it will retain such certifications in its files; and that it will forward the

1395 following notice to such proposed subcontractors (except where the proposed subcontractors
1396 have submitted identical certifications for specific time periods):

1397 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
1398 CERTIFICATIONS OF NONSEGREGATED FACILITIES

1399 A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract
1400 exceeding \$10,000 which is not exempt from the provisions of the Equal Employment
1401 Opportunity clause. The certification may be submitted either for each subcontract or for all
1402 subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for
1403 making false statements in offers is prescribed in 18 U.S.C. § 1001.

1404 NOTICES

1405 38. Any notice, demand, or request authorized or required by this Contract shall be
1406 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
1407 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,
1408 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,
1409 postage prepaid, or delivered to the Board of Directors of the Westlands Water District, P. O.
1410 Box 6056, Fresno, California 93703-6056. The designation of the addressee or the address may
1411 be changed by notice given in the same manner as provided in this Article for other notices.

1412 MEDIUM FOR TRANSMITTING PAYMENT

1413 39. (a) All payments from the Contractor to the United States under this Contract
1414 shall be by the medium requested by the United States on or before the date payment is due. The
1415 required method of payment may include checks, wire transfers, or other types of payment
1416 specified by the United States.

1417 (b) Upon execution of this Contract, the Contractor shall furnish the
1418 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
1419 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
1420 out of the Contractor's relationship with the United States.

1421 CONTRACT DRAFTING CONSIDERATIONS

1422 40. This amended Contract has been negotiated and reviewed by the parties hereto,
1423 each of whom is sophisticated in the matters to which this amended Contract pertains. The
1424 double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by

1425 the parties, and no one party shall be considered to have drafted the stated Articles. Single-
1426 spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

1427 CONFIRMATION OF CONTRACT

1428 41. Promptly after the execution of this amended Contract, the Contractor will
1429 provide to the Contracting Officer a certified copy of a final decree of a court of competent
1430 jurisdiction in the State of California, confirming the proceedings on the part of the Contractor
1431 for the authorization of the execution of this amended Contract. This amended Contract shall not
1432 be binding on the United States until the Contractor secures a final decree.

1433

1434 IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the
1435 day and year first above written.

1436 UNITED STATES OF AMERICA

1437 By: _____
1438 Regional Director
1439 Interior Region 10: California-Great Basin
1440 Bureau of Reclamation

1441 WESTLANDS WATER DISTRICT
1442 (SEAL)

1443 By: _____
1444 President of the Board of Directors

1445 Attest:

1446 By: _____
1447 Secretary of the Board of Directors