

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

CONTRACT BETWEEN THE UNITED STATES
AND
SANTA CLARA VALLEY WATER DISTRICT AND
WESTLANDS WATER DISTRICT DISTRIBUTION DISTRICT NO. 1
PROVIDING FOR PROJECT WATER SERVICE
AND FACILITIES REPAYMENT

TABLE OF CONTENTS

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	2
1.	Definitions.....	5
2.	Term of Contract – Right to Use of Water	8
3.	Water to be Made Available and Delivered to the Contractors	10
4.	Time for Delivery of Water	12
5.	Point of Diversion and Responsibility for Distribution of Water	13
6.	Measurement of Water Within the District.....	15
7.	Rates, Method of Payment for Water and Accelerated Repayment of Facilities .	16
8.	Non-Interest Bearing Operation and Maintenance Deficits.....	24
9.	Transfers or Exchanges of Water.....	24
10.	Application of Payments and Adjustments.....	25
11.	Temporary Reductions – Return Flows	25
12.	Constraints on the Availability of Water	26
13.	Unavoidable Groundwater Percolation.....	28
14.	Compliance with Federal Reclamation Laws	28
15.	Protection of Water and Air Quality.....	28
16.	Water Acquired by the Contractors Other than from the United States	29
17.	Opinions and Determinations	29
18.	Charges for Delinquent Payments	30
19.	Equal Employment Opportunity.....	30
20.	General Obligation – Benefits Conditioned Upon Payment.....	32

Table of Contents – continued

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
21.	Compliance with Civil Rights Laws and Regulations	32
22.	Privacy Act Compliance	33
23.	Contractors to Pay Certain Miscellaneous Costs	34
24.	Water Conservation	34
25.	Existing or Acquired Water or Water Rights.....	36
26.	Operation and Maintenance by the Operating Non-Federal Entity	36
27.	Contingent on Appropriation or Allotment of Funds	38
28.	Books, Records, and Reports	38
29.	Assignment Limited – Successors and Assigns Obligated	38
30.	Severability	38
31.	Officials not to Benefit.....	39
32.	Changes in Contractors’ Organization and/or Service Area.....	39
33.	Reclamation Reform Act of 1982	39
34.	Certification of Nonsegregated Facilities	40
35.	Medium for Transmitting Payment.....	40
36.	Termination of Pajaro Valley Water Management Agency Interest	41
37.	Notices	41
38.	Contract Drafting Considerations	41
39.	Confirmation of Contract.....	41
	Signature Page	42
	Exhibit A – Rates and Charges	
	Exhibit B – Repayment Obligation	
	Exhibit C – Pajaro Valley Water Management Agency Letter	
	Exhibit D – 1999 Partial Assignment Agreement	

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1 THIS CONTRACT, made this ____ day of _____20__, in pursuance generally of
2 the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto,
3 including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and
4 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70
5 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263) , October 27, 1986 (100
6 Stat. 3050), as amended Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706) , as
7 amended, and the Water Infrastructure Improvements for the Nation Act (Public Law 114-322,
8 130 Stat. 1628), Section 4011 (a-d) and (f) (“WIIN Act”), all collectively hereinafter referred to
9 as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter
10 referred to as the United States, and SANTA CLARA VALLEY WATER DISTRICT AND
11 WESTLANDS WATER DISTRICT DISTRIBUTION DISTRICT NO. 1, hereinafter referred to
12 as the Contractors, public agencies of the State of California, duly organized, existing, and acting
13 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 Central Valley Project, California, 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, hereinafter collectively referred to as the Delta Division facilities, which will be used in part for the furnishing of water to the Contractors pursuant to the terms of this Contract; and

[3rd] WHEREAS, the Mercy Springs Water District (District) and the United States entered into Contract No. 14-06-200-3365A, dated June 21, 1967, which provided the District, Central Valley Project water from the Delta-Mendota Canal from June 21, 1967 to February 28, 1995; and

[4th] WHEREAS, the United States and the District entered into Contracts No. 14-06-200-3365A-IR1 and 14-06-200-3365A-IR2, which provided for the continued water service to the District from March 1, 1995, through February 29, 2000; and

[5th] WHEREAS, the District assigned to the Contractors and Pajaro Valley Water Management Agency on May 14, 1999, the right, title, and interest in that portion of Contract No. 14-06-200-3365A-IR2 consisting of 6,260 acre-feet of the entitlement of the Project Water including any rights to renew Contract No. 14-06-200-3365A-IR2 for the entitlement; and

[6th] WHEREAS, the Contractors and Pajaro Valley Water Management Agency entered into a separate agreement on May 14, 1999, stating their terms and conditions for sharing the assigned Project Water supply; and

39 [7th] WHEREAS, the United States and the Contractors and Pajaro Valley Water
40 Management Agency entered into Contract Number 14-06-200-3365A-IR3-B and subsequent
41 Interim Renewal Contracts 14-06-200-3365A-IR4-B through 14-06-200-3365A-IR16-B, the last
42 of which is hereinafter referred to as the “Existing Contract”, which established terms for the
43 delivery of Project Water to the Contractors from the Delta Division, and which was in effect the
44 date the WIIN Act was enacted; and

45 [8th] WHEREAS, Project Water has never been delivered to Pajaro Valley Water
46 Management Agency pursuant to the Existing Contract, and on July 26, 2019, the Contracting
47 Officer received a letter (Exhibit C) from the General Manager of Pajaro Valley Water
48 Management Agency withdrawing its interest in Contract No. 14-06-200-3365A-IR3-B and all
49 successive renewals; and

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

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

57 [11th] WHEREAS, Section 4011(a)(1) further provides that “the manner of conversion
58 under this paragraph shall be as follows: (A) Water service contracts that were entered into
59 under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section
60 shall be converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195)”; and
61 “(B) Water service contracts that were entered under subsection (c)(2) of section 9 of the Act of

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

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

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

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

80 [15th] WHEREAS, the United States has determined that the Contractors have to date
81 fulfilled all of its obligations under the Existing Contract; and

82 [16th] WHEREAS, the Contacting Officer has determined that the Contractors have the
83 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable

84 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
85 Contract; and

86 [17th] WHEREAS, the Contracting Officer and the Contractors agree that this Contract
87 complies with Section 4011 of the WIIN Act; and

88 [18th] WHEREAS, the Contracting Officer and the Contractors agree to amend and
89 convert the Existing Contract pursuant to section 4011 of the WIIN Act and other Federal
90 Reclamation law on the terms and conditions set forth below;

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

93 DEFINITIONS

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

96 (a) "Additional Capital Obligation" shall mean construction costs or other
97 capitalized costs incurred after the effective date of Contract or not reflected in the Existing
98 Capital Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B)
99 and (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130
100 Stat. 1628) ("WIIN Act");

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

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

106 (d) "Contractors' Boundaries" shall mean the area to which the Contractors
107 are permitted to provide Project Water under this Contract;

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

110 (f) "Delivered Water" or "Water Delivered" shall mean Project Water made
111 available to the Contractors and diverted at the point(s) of delivery approved by the Contracting
112 Officer;

113 (g) "Eligible Lands" shall mean all lands to which Irrigation Water may be
114 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
115 (96 Stat. 1263), as amended;

116 (h) "Excess Lands" shall mean all lands defined as excess in Section 204 of
117 the Reclamation Reform Act of 1982, other than those lands exempt from acreage limitation
118 under Federal Reclamation law;

119 (i) "Existing Capital Obligation" shall mean the remaining amount of
120 construction costs or other capitalized costs allocable to the Contractors as described in section
121 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
122 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
123 dated Month/Day/Year [specify ratebook year for all contractors.] [contractor specific to address
124 the intertie], as adjusted to reflect payments not reflected in such schedule. The Contracting
125 Officer has computed the Existing Capital Obligation and such amount is set forth in Exhibit B,
126 which is incorporated herein by reference;

127 (j) "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)
128 or 202(3) of the Reclamation Reform Act of 1982, whichever is applicable;

129 (k) "Ineligible Lands" shall mean all lands to which Irrigation Water may not
130 be delivered in accordance with Section 204 of the Reclamation Reform Act of 1982;

131 (l) "Irrigation Water" shall mean the use of Project Water to irrigate lands
132 primarily for the production of commercial agricultural crops or livestock, and domestic and
133 other uses that are incidental thereto;

134 (m) "Landholder" shall mean an individual or entity attributed with the total
135 irrigable acreage of one or more tracts of land situated in one or more districts owned and/or
136 operated under a lease which is served with Irrigation Water pursuant to a contract with the
137 United States;

138 (n) "Municipal and Industrial (M&I) Water" shall mean the use of Project
139 Water for municipal, industrial, and miscellaneous other purposes not falling under the definition
140 of "Irrigation Water" or within another category of water use under an applicable Federal
141 authority;

142 (o) "Operation and Maintenance" or "O&M" shall mean normal and
143 reasonable care, control, operation, repair, replacement and maintenance of Project facilities;

144 (p) "Operating Non-Federal Entity" shall mean a Non-Federal entity which
145 has the obligation to operate and maintain all or a portion of the Delta Division facilities pursuant
146 to an agreement with the United States;

147 (q) "Project" shall mean the Central Valley Project owned by the United
148 States and operated by the Department of the Interior, Bureau of Reclamation;

149 (r) "Project Contractors" shall mean all parties who have contracts for water
150 service for Project Water from the Project with the United States pursuant to Federal
151 Reclamation law;

152 (s) "Project Water" shall mean all water that is developed, diverted, stored, or
153 delivered by the United States in accordance with the statutes authorizing the Project and in

154 accordance with the terms and conditions of applicable water rights permits and licenses
155 acquired by and/or issued to the United States pursuant to California law;

156 (t) "Rates" shall mean the payments determined annually by the Contracting
157 Officer in accordance with the then current applicable water ratesetting policies for the Project;

158 (u) "Repayment Obligation" for Water Delivered as Irrigation Water shall
159 mean the Existing Capital Obligation discounted by ½ of the Treasury rate, which shall be the
160 amount due and payable to the United States, pursuant to section 4011(a)(2)(A) of the WIIN Act;
161 and for Water Delivered as M&I Water shall mean the amount due and payable to the United
162 States, pursuant to section 4011(a)(3)(A) of the WIIN Act;

163 (v) "Secretary" or "Contracting Officer" shall mean the Secretary of the
164 United States Department of the Interior or his duly authorized representative;

165 (w) "Tiered Pricing Component" shall be the incremental amount to be paid
166 for each acre-foot of Water Delivered as described in Article 7 of this Contract and as provided
167 for in Exhibit A;

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

171 (y) "Year" shall mean the period from and including March 1 of each
172 Calendar Year through the last day of February of the following Calendar Year;

173 TERM OF CONTRACT – RIGHT TO USE OF WATER

174 2. (a) This Contract shall be effective **March 1, 2020**, hereinafter known as the
175 "Effective Date", and shall continue so long as the Contractors pay applicable Rates and Charges

176 under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat.
177 1195) as applicable, and applicable law;

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

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

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

196 (b) Upon complete payment of the Repayment Obligation by the Contractors,
197 and notwithstanding any Additional Capital Obligation that may later be established, the acreage
198 limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982,

199 and subdivisions (g) Eligible Lands, (h) Excess Lands, and (k) Ineligible Lands of Article 1 of
200 this Contract shall no longer be applicable.

201 (c) Notwithstanding any provision of this Contract, the Contractors reserve
202 and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat. 483), to the extent
203 allowed by law.

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

207 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTORS

208 3. (a) Subject to the provisions set forth in Articles 11 and 12 of this Contract,
209 and consistent with applicable State water rights, permits, and licenses, the Contractors are
210 entitled to, and the Contracting Officer shall be obligated to make available to the Contractors up
211 to 6,260 acre-feet of Project Water for Irrigation and/or Municipal and Industrial purposes during
212 the term of this Contract. The quantity of Project Water delivered to the Contractors in
213 accordance with this subdivision of this Article 3 in any Year shall be scheduled and paid for
214 pursuant to the provisions of Articles 4 and 7 of this Contract, and shall not exceed the quantity
215 of Project Water the Contractors intend to put to reasonable beneficial use within the
216 Contractors' Boundaries or sold, transferred, or exchanged pursuant to Article 9 of this Contract
217 during the term of this Contract.

218 (b) The Contractors shall utilize the Project Water made available to the
219 Contractors pursuant to this Contract in accordance with all applicable requirements of any
220 Biological Opinion addressing the execution of this Contract developed pursuant to Section 7 of
221 the Endangered Species Act of 1973 as amended, and in accordance with environmental

222 documentation as may be required for specific activities, including conversion of Irrigation
223 Water to M&I Water.

224 (c) The Contractors shall make reasonable and beneficial use of Project Water
225 or other water furnished pursuant to this Contract. In addition, use of Project Water in a
226 groundwater recharge program shall be permitted under this Contract to the extent that it is
227 carried out in accordance with California law: Provided, however, That such groundwater
228 recharge program cannot be undertaken unless and until the Contractors submit a groundwater
229 management plan pursuant to California law that demonstrates that such groundwater recharge
230 program will result in a reasonable and beneficial use of such water.

231 (d) If the Contracting Officer determines that Project Water, or other water
232 available to the Project, can be made available to the Contractors in addition to the quantity of
233 Project Water made available to the Contractors pursuant to subdivision (a) of this Article, the
234 Contracting Officer shall so notify the Contractors. If the Contractors request the delivery of any
235 quantity of such water, the Contracting Officer shall make such water available to the
236 Contractors in accordance with applicable statutes, regulations, guidelines, and policies.

237 (e) If the Contractors request permission to reschedule for use during the
238 subsequent Year some or all of the Project Water made available to the Contractors during the
239 current Year or to use, during the current Year, that quantity of Project Water the United States
240 has agreed to make available to the Contractors during the subsequent Year, the Contracting
241 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and
242 policies.

243 (f) The Contractors' rights pursuant to Federal Reclamation law and
244 applicable State law to the beneficial use of water furnished pursuant to this Contract shall not be

245 disturbed so long as the Contractors shall fulfill all of their obligations under this Contract.

246 Nothing in the preceding sentence shall affect the Contracting Officer's ability to impose

247 shortages under subdivision (b) of Article 12 of this Contract.

248 (g) Notwithstanding subdivisions (l) and (n) of Article 1 of this Contract,

249 Project Water furnished to the Contractors pursuant to this Contract may be delivered for

250 purposes other than those described in subdivisions (l) and (n) of Article 1 of this Contract upon

251 written approval by the Contracting Officer in accordance with the terms and conditions of such

252 approval.

253 (h) The Contractors' right pursuant to Federal Reclamation law and applicable

254 State law to the reasonable and beneficial use of the Water Delivered pursuant to this Contract

255 shall not be disturbed, and this Contract shall continue so long as the Contractors pay applicable

256 Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of

257 August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding

258 sentence shall affect the Contracting Officer's ability to impose shortages under Article 11 or

259 subdivision (b) of Article 12 of this Contract.

260 TIME FOR DELIVERY OF WATER

261 4. (a) On or about February 20, of each Calendar Year, the Contracting Officer

262 shall declare the amount of Project Water estimated to be made available to the Contractors

263 pursuant to this Contract for the upcoming Year. The declaration will be updated monthly, as

264 necessary, based on current hydrologic conditions. The Contracting Officer shall make available

265 the forecast of Project operations, with relevant supporting information, upon the written request

266 of the Contractors or their representatives. Upon written request of the Contractors, the

267 Contracting Officer shall provide the basis of the estimate which shall include, but not be limited

268 to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of Project

269 reservoirs, projected CVPIA impacts, projected Endangered Species Act and all other regulatory
270 impacts.

271 (b) On or before each March 1, the Contractors shall submit to the
272 Contracting Officer and at such other times as necessary, a written schedule, satisfactory to the
273 Contracting Officer, showing the times and quantities of Project Water to be delivered by the
274 United States to the Contractors during the upcoming year pursuant to this Contract, and
275 consistent with subdivision (a) of Article 3 of this Contract.

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

281 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

282 5. (a) The Project Water to be furnished to the Contractors pursuant to this
283 Contract shall be made available to the Contractors a point or points of delivery either on Project
284 facilities or another location or locations mutually agreed to in writing by the Contracting Officer
285 and the Contractors

286 (b) The Contracting Officer shall make all reasonable efforts to maintain
287 sufficient flows and levels of water in the Delta-Mendota Canal to furnish Project Water to the
288 Contractors at the full design capacity of the turnout(s) established as a delivery point(s) pursuant
289 to subdivision (a) of this Article.

290 (c) Irrigation Water furnished to the Contractors pursuant to this Contract
291 shall be delivered by the Contractors in accordance with any applicable land classification
292 provisions of Federal Reclamation law and the associated regulations. Project Water shall not be

293 delivered to land outside the Contractors' Boundaries unless approved in advance by the
294 Contracting Officer.

295 (d) All Project Water delivered to the Contractors pursuant to this Contract
296 shall be measured and recorded with equipment furnished, installed, operated, and maintained by
297 the United States or the responsible Operating Non-Federal Entity at the point or points of
298 delivery established pursuant to subdivision (a) of this Article. Upon the request of any party to
299 this Contract, the Contracting Officer shall investigate the accuracy of such measurements and
300 shall take any necessary steps to adjust any errors appearing therein. The Contractors shall
301 advise the Contracting Officer on or before the 10th calendar day of each month of the quantity
302 of M&I Water taken during the preceding month.

303 (e) Neither the United States nor any Operating Non-Federal Entity shall be
304 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water
305 made available to the Contractors pursuant to this Contract beyond the delivery points specified
306 in subdivision (a) of this Article. The Contractors shall indemnify the United States its officers,
307 employees, agents, and assigns on account of damage or claim of damage of any nature
308 whatsoever for which there is legal responsibility, including property damage, personal injury, or
309 death arising out of or connected with the control, carriage, handling, use, disposal, or
310 distribution of such Project Water beyond such delivery points, except for any damage or claim
311 arising out of (i) acts performed by the United States or any of its officers, employees, agents, or
312 assigns, including any responsible Operating Non-Federal Entity, with the intent of creating the
313 situation resulting in any damage or claim; (ii) willful misconduct of the United States or any of
314 its officers, employees, agents, or assigns, including any responsible Operating Non-Federal

315 Entity, or (iii) negligence of the United States or any of its officers, employees, agents, or
316 assigns, including any responsible Operating Non-Federal Entity.

317 MEASUREMENT OF WATER WITHIN THE DISTRICT

318 6. (a) The Contractors shall ensure that, unless the Contractors establish an
319 alternative measurement program satisfactory to the Contracting Officer, all surface water
320 delivered for irrigation purposes within the Contractors' Boundaries is measured at each
321 agricultural turnout and such water delivered for Municipal and Industrial purposes is measured
322 at each Municipal and Industrial service connection. All water measuring devices or water
323 measuring methods of comparable effectiveness must be acceptable to the Contracting Officer.
324 The Contractors shall be responsible for installing, operating, and maintaining and repairing all
325 such measuring devices and implementing all such water measuring methods at no cost to the
326 United States. The Contractors shall use the information obtained from such water measuring
327 devices or water measuring methods to ensure proper management of the water; to bill water
328 users for water delivered by the Contractors; and, if applicable, to record water delivered for
329 Municipal and Industrial purposes by customer class as defined in their water conservation plan.
330 Nothing herein contained in this Article, however, shall preclude the Contractors from
331 establishing and collecting any charges, assessments or other revenues authorized by California
332 law. The Contractors shall include a summary of their annual surface water deliveries in the
333 annual report described in subdivision (d) of Article 25 of this Contract.

334 (b) Omitted.

335 (c) All new surface water delivery systems installed within the Contractors'
336 Boundaries after the effective date of this Contract shall also comply with the measurement
337 provisions described in subdivision (a) of this Article.

338 (d) The Contractors shall inform the Contracting Officer and the State of
339 California in writing by April 30 of each Year of the monthly volume of surface water delivered
340 within the Contractors' Boundaries during the previous Year.

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

343 7. (a) Notwithstanding the Contractors' full prepayment of the Repayment
344 Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection (a)(3)(A) of the WIIN
345 Act, as set forth in Exhibit B, and any payments required pursuant to section 4011, subsection (b)
346 of the WIIN Act, to reflect the adjustment for the final cost allocation as described in this Article,
347 subsection (b), the Contractors' Project construction and other obligations shall be determined in
348 accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and
349 the Secretary's then-existing ratesetting policy for M&I Water, consistent with the WIIN Act;
350 and such ratesetting policies shall be amended, modified, or superseded only through a public
351 notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and
352 regulations, or policies, and (iii) other applicable provisions of this Contract. Payments shall be
353 made by cash transaction, electronic funds transfers, or any other mechanism as may be agreed
354 to in writing by the Contractors and the Contracting Officer. The Rates, Charges, and Tiered
355 Pricing Component applicable to the Contractors upon execution of this Contract are set forth in
356 Exhibit "A," as may be revised annually.

357 (1) The Contractors shall pay the United States as provided for in this
358 Article of this Contract for all Delivered Water at Rates, Charges, and Tiered Pricing Component
359 in accordance with policies for Irrigation Water and M&I Water. The Contractors' Rates shall
360 be established to recover their estimated reimbursable costs included in the operation and

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

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

365 (A) The amount due and payable to the United States, pursuant
366 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been
367 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth
368 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual
369 installments (Irrigation Only) to be repaid no later than three (3) years after the effective date of
370 this Contract as set forth in Exhibit B. [There could be one or two exhibits in most cases due to
371 more than one service area (For Irrigation contractors and M&I contractors)] The Repayment
372 Obligation is due in lump sum by [Month, Day, Year] as provided by the WIIN Act. The
373 Contractors must provide appropriate notice to the Contracting Officer in writing no later than
374 thirty (30) days prior to [Month, Day, Year] [Division Level: consider the effective date of the
375 contract being converted] if electing to repay the amount due using the lump sum alternative. If
376 such notice is not provided by such date, the Contractors shall be deemed to have elected the
377 installment payment alternative, in which case, the first such payment shall be made no later than
378 [Month, Day, Year] [Division Level: consider the effective date of the contract being
379 converted]. The second payment shall be made no later than the first anniversary of the first
380 payment date. The third payment shall be made no later than the second anniversary of the first
381 payment date. The final payment shall be made no later than [Month, Day, Year] [no later than
382 the third anniversary of the effective date of the contract]. If the installment payment option is
383 elected by the Contractors, the Contractors may pre-pay the remaining portion of the Repayment

384 Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the
385 Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using
386 the same methodology as was used to compute the initial annual installment payment amount,
387 which is illustrated in Exhibit B. Notwithstanding any Additional Capital Obligation that may
388 later be established, receipt of the Contractors' payment of the Repayment Obligation to the
389 United States shall fully and permanently satisfy the Existing Capital Obligation.

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

402 (1) If the collective Additional Capital Obligation
403 properly assignable to the contractors exercising conversion under section 4011 of the WIIN Act
404 is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable
405 to the Contractors shall be repaid not more than five (5)-years after the Contracting Officer

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

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

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

424 (c) The Contracting Officer shall notify the Contractors of the Rates, Charges,
425 and Tiered Pricing Component as follows:

426 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
427 shall provide the Contractors the preliminary calculation of the Charges that will be applied for
428 the period October 1, of the current Calendar Year, through September 30, of the following

429 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such
430 calculations. On or before September 15, of each Calendar Year, the Contracting Officer shall
431 notify the Contractors in writing of the Charges to be in effect during the period October 1, of the
432 current Calendar Year, through September 30, of the following Calendar Year, and such
433 notification shall revise Exhibit "A."

434 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
435 shall make available to the Contractors an estimate of the Rates and Tiered Pricing Component
436 for Project Water for the following Year and the computations and cost allocations upon which
437 those Rates are based. The Contractors shall be allowed not less than two (2) months to review
438 and comment on such computations and cost allocations. By December 31 of each Calendar
439 Year, the Contracting Officer shall provide the Contractors with the final Rates and Tiered
440 Pricing Component to be in effect for the upcoming Year, and such notification shall revise
441 Exhibit "A."

442 (d) At the time the Contractors submit the initial schedule for the delivery of
443 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
444 Contractors shall pay the United States the total amount payable pursuant to the applicable
445 Rate(s) for all Project Water scheduled to be delivered pursuant to this Contract during the first
446 two (2) calendar months of the Year. Before the end of the first month or part thereof of the
447 Year, and before the end of each calendar month thereafter, the Contractors shall pay pursuant to
448 the applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this Contract
449 during the second month immediately following. Adjustments between the payments for the
450 scheduled amount of Project Water and the appropriate payments for quantities of Delivered
451 Water furnished pursuant to this Contract each month shall be made before the end of the

452 following month: *Provided, That* any revised schedule submitted by the Contractors pursuant to
453 Article 4 of this Contract, which increases the amount of Project Water to be delivered pursuant
454 to this Contract during any month shall be accompanied with appropriate payment for Rates to
455 assure that Project Water is not furnished to the Contractors in advance of such payment. In any
456 month in which the quantity of Delivered Water furnished to the Contractors pursuant to this
457 Contract equals the quantity of Project Water scheduled and paid for by the Contractors, no
458 additional Project Water shall be made available to the Contractors unless and until payment of
459 Rates for such additional Project Water is made. Final adjustment between the payments of
460 Rates for the Project Water scheduled and the quantities of Delivered Water furnished during
461 each Year pursuant to this Contract shall be made as soon as possible but no later than April 30th
462 of the following Year.

463 (e) The Contractor shall also make a payment in addition to the Rate(s) in
464 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and
465 appropriate Tiered Pricing Component then in effect, before the end of the month following the
466 month of delivery; *Provided, That* the Contractor may be granted an exception from the Tiered
467 Pricing Component pursuant to subdivision (k)(2) of this Article. The payments shall be
468 consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the
469 water delivery report for the subject month prepared by the Operating Non-Federal Entity or, if
470 there is no Operating Non-Federal Entity, by the Contracting Officer. The water delivery report
471 shall be deemed a bill for the payment of Charges and applicable Tiered Pricing Component for
472 Water Delivered. Adjustment for overpayment or underpayment of Charges and the Tiered
473 Pricing Component shall be made through the adjustment of payments due to the United States

474 for Charges for the next month. Any amount to be paid for past due payment of Charges shall be
475 computed pursuant to Article 18 of this Contract.

476 (f) The Contractors shall pay for any Project Water provided under
477 subdivision (d) or (e) of Article 3 of this Contract as determined by the Contracting Officer
478 pursuant to applicable statutes, regulations, guidelines, and policies.

479 (g) Payments to be made by the Contractors to the United States under this
480 Contract may be paid from any revenues available to the Contractors.

481 (h) Revenues received by the United States pursuant to this Contract shall be
482 allocated and applied in accordance with Federal Reclamation law, including but not limited to,
483 subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and subsection (f) of Section
484 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of Section 3407 of the CVPIA,
485 and the associated regulations, including but not limited to, the Project Irrigation Water
486 ratesetting policy and the Project M&I Water ratesetting policy promulgated pursuant to the
487 Administrative Procedures Act.

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

495 (j) The parties acknowledge and agree that the efficient administration of this
496 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,

497 policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component,
498 and/or for making and allocating payments, other than those set forth in this Article would be in
499 the mutual best interest of the parties, it is expressly agreed that the parties may enter into
500 agreements to modify the mechanisms, policies and procedures for any of those purposes while
501 this Contract is in effect without amending this Contract.

502 (k) 1. Beginning at such time as deliveries of Project Water in a Year
503 exceed 80 percent of the Contract Total, then before the end of the month following the month of
504 delivery the Contractor shall make an additional payment to the United States equal to the
505 applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water
506 Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the
507 Contract Total, shall equal one-half of the difference between the Rate established under
508 subdivision (a) of this Article and the Irrigation Full Cost Water Rate or M&I Full Cost Water
509 Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water
510 Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i)
511 the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water
512 Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to
513 subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract
514 Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in
515 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

516 2. Subject to the Contracting Officer's written approval, the
517 Contractor may request and receive an exemption from such Tiered Pricing Component for
518 Project Water delivered to produce a crop which the Contracting Officer determines will provide
519 significant and quantifiable habitat values for waterfowl in fields where the water is used and the

520 crops are produced; Provided, That the exemption from the Tiered Pricing Component for
521 Irrigation Water shall apply only if such habitat values can be assured consistent with the
522 purposes of the CVPIA through binding agreements executed with or approved by the
523 Contracting Officer prior to use of such water.

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

529 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

530 8. The Contractors and the Contracting Officer concur that at the time of execution
531 of this Contract, the Contractors have no non-interest bearing operation and maintenance deficits
532 and shall have no further liability therefor.

533 TRANSFERS OR EXCHANGES OF WATER

534 9. The right to Project Water provided for in this Contract may be sold, transferred,
535 or exchanged to others for beneficial uses within the State of California if such sale, transfer, or
536 exchange is authorized by applicable Federal laws, State laws, and applicable guidelines or
537 regulations then in effect. The right to sell, transfer, or exchange Project Water shall include,
538 and the Contracting Officer shall apply this Article in a manner that does not impede or restrict,
539 lawful short-term sales, transfers, or exchanges of the type the District and Contractors
540 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-
541 3365A, as amended, assigned, and renewed. No sale, transfer, or exchange of the right to Project
542 Water under this Contract may take place without the prior written approval of the Contracting
543 Officer.

544 APPLICATION OF PAYMENTS AND ADJUSTMENTS

545 10. (a) The amount of any overpayment by the Contractors shall be applied first
546 to any accrued indebtedness arising out of this Contract then due and payable by the Contractors.
547 Any amount of such overpayment then remaining shall, at the option of the Contractors, be
548 refunded to the Contractors or credited upon amounts to become due to the United States from
549 the Contractors under the provisions of this Contract in the following months. With respect to
550 overpayment, such adjustment shall constitute the sole remedy of the Contractors or anyone
551 having or claiming to have the right to the use of any of the water supply provide for in this
552 Contract.

553 (b) All advances for miscellaneous costs incurred for work requested by the
554 Contractors pursuant to Article 23 of this Contract shall be adjusted to reflect the actual costs
555 when the work has been completed. If the advances exceed the actual costs incurred, the
556 difference will be refunded to the Contractors. If the actual costs exceed the Contractors'
557 advances, the Contractors will be billed for the additional costs pursuant to Article 23 of this
558 Contract.

559 TEMPORARY REDUCTIONS – RETURN FLOWS

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

564 (b) The United States may temporarily discontinue or reduce the quantity of
565 Project Water to be delivered to the Contractors as herein provided for the purposes of
566 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or
567 any part thereof necessary for the delivery of Project Water to the Contractors, but so far as

568 feasible the Contracting Officer will give the Contractors due notice in advance of such
569 temporary discontinuance or reduction, except in case of emergency, in which case no notice
570 need be given: *Provided, That* the United States shall use its best efforts to avoid any
571 discontinuance or reduction in such service. Upon resumption of service after such reduction or
572 discontinuance, and if requested by the Contractors, the United States will, if possible, deliver
573 the quantity of Project Water which would have been delivered hereunder in the absence of such
574 discontinuance or reduction: *Provided, further, That* with respect to any quantity of Project
575 Water not delivered after a discontinuance or reduction the Contractors shall be relieved of their
576 scheduling and payment obligations for such quantity of Project Water.

577 (c) The United States reserves the right to all seepage and return flow water
578 derived from water delivered to the Contractors under this Contract which escapes or is
579 discharged beyond the Contractors' Boundaries: *Provided, That* this shall not be construed as
580 claiming for the United States any right to seepage or return flow being put to reasonable and
581 beneficial use pursuant to this Contract within the Contractors' Boundaries by the Contractors or
582 those claiming by, through, or under the Contractors.

583 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

589 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting
590 or other similar operational errors affecting the Project; drought and other physical or natural
591 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer
592 to meet current and future legal obligations, then, except as provided in subdivision (a) of Article
593 17 of this Contract, no liability shall accrue against the United States or any of its officers,
594 agents, or employees for any damage, direct or indirect, arising therefrom.

595 (c) In any Year in which there may occur a shortage for any of the reasons
596 specified in subdivision (b) of this Article, the Contracting Officer shall apportion the available
597 Project Water supply among the Contractors and others entitled, under existing contracts and
598 future contracts (to the extent such future contracts are permitted under subsections (a) and (b) of
599 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the
600 contractual obligations of the United States.

601 (d) Subject to subdivision (c) of this Article, in any Year in which here may
602 occur a shortage for any of the reasons specified in subdivision (b) of this Article, the
603 Contracting Officer shall apportion the available Project Water among the Contractors and others
604 entitled to receive Project Water from the Delta-Mendota Canal as follows:

605 (1) A determination shall be made of the total quantity of water
606 scheduled to be delivered during the respective Year under all contracts then in force for the
607 delivery of water from the Delta-Mendota Canal, the quantity so determined being herein
608 referred to as the contractual commitments from the Delta-Mendota Canal.

609 (2) The total quantity of water scheduled to be delivered to the
610 Contractors from the Delta-Mendota Canal during the respective Year under subdivision (a) of
611 Article 3 of this Contract shall be divided by the contractual commitments, the quotient thus
612 obtained being herein referred to as the Contractors' contractual entitlement from the Delta-
613 Mendota Canal.

614 (3) The supply determined by the Contracting Officer to be available
615 from the Delta-Mendota Canal shall be multiplied by the Contractors' contractual entitlement
616 and the result shall be the quantity of water required to be delivered by the United States to the
617 Contractors for the respective Year from the Delta-Mendota Canal.

618 UNAVOIDABLE GROUNDWATER PERCOLATION

619 13. (a) The Contractors shall not be deemed to have furnished Irrigation Water to
620 Excess Lands or Ineligible Lands within the meaning of this Contract if such lands are irrigated
621 with groundwater that reaches the underground strata as an unavoidable result of the furnishing
622 of Irrigation Water by the Contractors to Eligible Lands.

623 (b) Upon complete payment of the Repayment Obligation by the Contractors,
624 this Article 13 shall no longer be applicable.

625 COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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

631 PROTECTION OF WATER AND AIR QUALITY

632 15. (a) Omitted

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

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

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

647 WATER ACQUIRED BY THE CONTRACTORS OTHER THAN FROM THE UNITED
648 STATES

649 16. (a) Water or water rights now owned or hereafter acquired by the Contractors
650 other than from the United States and Irrigation Water furnished pursuant to the terms of this
651 Contract may be simultaneously transported through the same distribution facilities of the
652 Contractors subject to the following: (i) if the facilities utilized for commingling Irrigation
653 Water and non-Project water were constructed without funds made available pursuant to Federal
654 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the
655 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive
656 Irrigation Water must be established through the certification requirements as specified in the
657 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
658 Eligible Lands within the Contractors' Boundaries can be established and the quantity of
659 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such
660 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
661 Project water are constructed with funds made available pursuant to Federal Reclamation law,
662 the non-Project water will be subject to Federal Reclamation law, until such funds have been
663 repaid.

664 (b) Upon complete payment of the Repayment Obligation by the Contractors,
665 this Article 16 shall no longer be applicable.

666 OPINIONS AND DETERMINATIONS

667 17. (a) Where the terms of this Contract provide for actions to be based upon the
668 opinion or determination of any party to this Contract, said terms shall not be construed as
669 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or
670 determinations. All parties, notwithstanding any other provisions of this Contract, expressly

671 reserve the right to relief from and appropriate adjustment, including monetary damages, for any
672 such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or
673 determination by any party shall be provided in a timely manner.

674 (b) The Contracting Officer shall have the right to make determinations
675 necessary to administer this Contract that are consistent with the expressed and implied
676 provisions of this Contract, the laws of the United States and the State of California, and the
677 rules and regulations promulgated by the Secretary. Such determinations shall be made in
678 consultation with the Contractors to the extent reasonably practicable.

679 CHARGES FOR DELINQUENT PAYMENTS

680 18. (a) The Contractors shall be subject to interest, administrative, and penalty
681 charges on delinquent payments. If a payment is not received by the due date, the Contractors
682 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
683 beyond the due date. If a payment becomes 60 days delinquent, the Contractors shall pay, in
684 addition to the interest charge, an administrative charge to cover additional costs of billing and
685 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractors
686 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the
687 payment is delinquent beyond the due date, based on the remaining balance of the payment due
688 at the rate of 6 percent per year. The Contractors shall also pay any fees incurred for debt
689 collection services associated with a delinquent payment.

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

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

697 EQUAL EMPLOYMENT OPPORTUNITY

698 19. During the performance of this Contract, the Contractors agree as follows:

699 (a) The Contractors will not discriminate against any employee or applicant
700 for employment because of race, color, religion, sex, sexual orientation, gender identity, or
701 national origin. The Contractors will take affirmative action to ensure that applicants are
702 employed, and that employees are treated during employment, without regard to their race, color,
703 religion, sex, sexual orientation, gender identity, or national origin. Such action shall include,

704 but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment
705 or recruitment advertising; layoff or termination; rates of pay or other forms of compensation;
706 and selection for training, including apprenticeship. The Contractors agree to post in
707 conspicuous places, available to employees and applicants for employment, notices to be
708 provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

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

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

723 (d) The Contractors will send to each labor union or representative of workers
724 with which the Contractors have a collective bargaining agreement or other contract or
725 understanding, a notice, to be provided by the Contracting Officer, advising the labor union or
726 workers' representative of the Contractors' commitments under section 202 of Executive Order
727 No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places
728 available to employees and applicants for employment.

729 (e) The Contractors will comply with all provisions of Executive Order No.
730 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
731 of Labor.

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

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

744 (h) The Contractors will include the provisions of paragraphs (a) through (g)
 745 in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
 746 Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September
 747 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
 748 Contractors will take such action with respect to any subcontract or purchase order as may be
 749 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
 750 for noncompliance: *Provided, however, That* in the event the Contractors become involved in, or
 751 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
 752 Contractors may request the United States to enter into such litigation to protect the interests of
 753 the United States.

754 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

755 20. (a) The obligation of the Contractors to pay the United States as provided in
 756 this Contract is a general obligation of the Contractors notwithstanding the manner in which the
 757 obligation may be distributed among the Contractors’ water users and notwithstanding the
 758 default of individual water users in their obligation to the Contractors.

759 (b) The payment of charges becoming due pursuant to this Contract is a
 760 condition precedent to receiving benefits under this Contract. The United States shall not make
 761 water available to the Contractors through Project facilities during any period in which the
 762 Contractors are in arrears in the advance payment of water rates due the United States. The
 763 Contractors shall not deliver water under the terms and conditions of this Contract for lands or
 764 parties that are in arrears in the advance payment of water rates as levied or established by the
 765 Contractors.

766 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

767 21. (a) The Contractors shall comply with Title VI of the Civil Rights Act of
 768 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title
 769 V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
 770 Title III; 42 U.S.C. 6101, et seq.), Title III of the Americans with Disabilities Act of 1990 (Pub.
 771 L. 101-336; 42 U.S.C. § 12181, et seq.), and any other applicable civil rights laws, and with the
 772 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
 773 Interior and/or Bureau of Reclamation.

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

781 (c) The Contractors make this Contract in consideration of and for the
 782 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
 783 Federal financial assistance extended after the date hereof to the Contractors by the Bureau of

784 Reclamation, including installment payments after such date on account of arrangements for
785 Federal financial assistance which were approved before such date. The Contractors recognize
786 and agrees that such Federal assistance will be extended in reliance on the representations and
787 agreements made in this Article and that the United States reserves the right to seek judicial
788 enforcement thereof.

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

791 PRIVACY ACT COMPLIANCE

792 22. (a) The Contractors shall comply with the Privacy Act of 1974 (Privacy Act)
793 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act
794 (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting records required
795 to be submitted to the Contractors for compliance with Sections 206, 224(c), and 228 of the
796 Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to 43
797 C.F.R. § 426.18.

798 (b) With respect to the application and administration of the criminal penalty
799 provisions of the Privacy Act (5 U.S.C. § 552a(i)), the Contractors and the Contractors'
800 employees who are responsible for maintaining the certification and reporting records referenced
801 in paragraph (a) above are considered to be employees of the Department of the Interior. See 5
802 U.S.C. § 552a(m).

803 (c) The Contracting Officer or a designated representative shall provide the
804 Contractors with current copies of the Department of the Interior Privacy Act regulations and the
805 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-
806 31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of
807 information contained in the Landholders' certification and reporting records.

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

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

819 (f) Upon complete payment of the Repayment Obligation by the Contractors,
820 this Article 22 will no longer be applicable.

821 CONTRACTORS TO PAY CERTAIN MISCELLANEOUS COSTS

822 23. In addition to all other payments to be made by the Contractors pursuant to this
823 Contract, the Contractors shall pay to the United States, within sixty (60) days after receipt of a
824 bill and detailed statement submitted by the Contracting Officer to the Contractors for such
825 specific items of direct cost incurred by the United States for work requested by the Contractors
826 associated with this Contract plus a percentage of such direct costs for administrative and general
827 overhead in accordance with applicable Bureau of Reclamation policy and procedures. All such
828 amounts referred to in this Article shall not exceed the amount agreed to in writing in advance by
829 the Contractors. This Article shall not apply to costs for routine contract administration.

830 WATER CONSERVATION

831 24. (a) Prior to the delivery of water provided from or conveyed through
832 Federally constructed or Federally financed facilities pursuant to this Contract, the Contractors
833 shall develop a water conservation plan, as required by subsection 210(b) of the Reclamation
834 Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).
835 Additionally, an effective water conservation and efficiency program shall be based on the
836 Contractors' water conservation plan that has been determined by the Contracting Officer to
837 meet the conservation and efficiency criteria for evaluating water conservation plans established
838 under Federal law. The water conservation and efficiency program shall contain definite water
839 conservation objectives, appropriate economically feasible water conservation measures, and
840 time schedules for meeting those objectives.

841 (b) Should the amount of M&I Water delivered pursuant to subdivision (a)
842 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractors shall
843 implement the Best Management Practices identified by and the time frames issued by the Mid-
844 Pacific Region's then-existing conservation and efficiency criteria for such M&I Water unless

845 any such practice is determined by the Contracting Officer to be inappropriate for the
846 Contractors.

847 (c) As part of the water conservation program, the Contractors shall develop
848 and be implementing a tiered block water pricing program that promotes conservation and the
849 efficient management of Project Water during the term of this Contract. Such pricing program
850 for Project Water shall take into account all relevant circumstances, including without limitation,
851 water shortages imposed under this Contract and the availability and cost of the Contractors' and
852 individual water user's non-Project alternative sources of supply, including groundwater and
853 other non-Project water supplies, so that the Contractors' pricing structure provides incentives
854 for conservation and the efficient management of overall water supply available to water users
855 served by the Contractors. *Provided, That* no such tiered block water pricing program need be
856 implemented by the Contractors if the Contracting Officer determines, based on information
857 provided by the Contractors, that (i) such a pricing structure will not result in significant
858 conservation of water available for use within the Contractors' Boundaries, including
859 groundwater or (ii) other pricing program, conservation, or management measures are more
860 appropriate and/or will result in comparable or better conservation of the water supplies available
861 within the Contractors' Boundaries. *Provided, further, That* if the Contractors fail to, or elect not
862 to, comply with this subdivision of this Article 24, then any subsequent Contract shall contain a
863 tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of the CVPIA.

864 (d) The Contractors shall submit to the Contracting Officer by December 31,
865 of each Calendar Year, an annual report on the status of their implementation of the water
866 conservation program.

867 (e) At five (5)-year intervals, the Contractors shall revise their water
868 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
869 water conservation plans established under Federal law and submit such revised water
870 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
871 will then determine if the water conservation plan meets the Bureau of Reclamation's then-
872 existing conservation and efficiency criteria for evaluating water conservation plans established
873 under Federal law.

874 (f) Upon complete payment of the Repayment Obligation by the Contractors,
875 and notwithstanding any Additional Capital Obligation that may later be established, subsection
876 (c) of this Article 24 of this Contract shall no longer be applicable.

877 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

878 25. Except as specifically provided in Article 16 of this Contract, the provisions of
879 this Contract shall not be applicable to or affect water or water rights now owned or hereafter
880 acquired by the Contractors or any user of such water within the Contractors' Boundaries from
881 other than the United States by the Contractors. Any such water shall not be considered Project
882 Water under this Contract. In addition, this Contract shall not be construed as limiting or
883 curtailing any rights which the Contractors or any water user within the Contractors' Boundaries
884 acquires or has available under any other contract pursuant to the Federal Reclamation law.

885 OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

886 26. (a) The responsibility for performing and, in some cases, funding the O&M of
887 all or any portion of the Delta Division facilities may be transferred to an Operating Non-Federal
888 Entity by one or more separate agreements between the United States and the Operating Non-
889 Federal Entity. Any such agreement(s) shall require the Operating Non-Federal Entity to

890 perform the O&M in compliance with the provisions of this Contract and shall not interfere with
891 the rights and obligations of the Contractors and the United States under this Contract.

892 (b) The Contracting Officer has previously notified the Contractors in writing
893 that the Operation and Maintenance of a portion of the Project facilities which serve the
894 Contractors have been transferred to the Operating Non-Federal Entity, and therefore, the
895 Contractors shall pay directly to the Operating Non-Federal Entity, or to any successor approved
896 by the Contracting Officer under the terms and conditions of the separate agreement between the
897 United States and the Operating Non-Federal Entity described in subdivision (a) of this Article,
898 all rates, charges, or assessments of any kind, including any assessment for reserve funds, which
899 the Operating Non-Federal Entity or such successor determines, sets, or establishes for the
900 Operation and Maintenance of the portion of the Project facilities operated and maintained by the
901 Operating Non-Federal Entity or such successor. Such direct payments to Operating Non-
902 Federal Entity or such successor shall not relieve the Contractors of their obligation to pay
903 directly to the United States the Contractors' share of the Project Rates, Charges, and Tiered
904 Pricing Component except to the extent the Operating Non-Federal Entity collects payments on
905 behalf of the United States in accordance with the separate agreement identified in subdivision
906 (a) of this Article.

907 (c) In the event the Operation and Maintenance of the Project facilities
908 operated and maintained by the Operating Non-Federal Entity is re-assumed by the United States
909 during the term of this Contract, the Contracting Officer shall so notify the Contractors, in
910 writing, and present to the Contractors a revised Exhibit "A" which shall include the portion of
911 the Rates to be paid by the Contractors for Project Water under this Contract representing the
912 Operation and Maintenance costs of the portion of such Project facilities which have been

913 reassumed. The Contractors shall, thereafter, in the absence of written notification from the
914 Contracting Officer to the contrary, pay the Rates and Charges specified in the revised Exhibit
915 “A” directly to the United States in compliance with Article 7 of this Contract.

916 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

922 BOOKS, RECORDS, AND REPORTS

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

933 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

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

940 SEVERABILITY

941 30. In the event that a person or entity who is neither (i) a party to a Project Contract,
942 nor (ii) a person or entity that receives Project Water from a party to a Project Contract, nor (iii)
943 an association or other form of organization whose primary function is to represent parties to

944 Project Contracts, brings an action in a court of competent jurisdiction challenging the legality or
945 enforceability of a provision included in this Contract and said person, entity, association, or
946 organization obtains a final court decision holding that such provision is legally invalid or
947 unenforceable and the Contractors have not intervened in that lawsuit in support of the
948 plaintiff(s), the parties to this Contract shall use their best efforts to (i) within thirty (30) days of
949 the date of such final court decision identify by mutual agreement the provisions in this Contract
950 which must be revised, and (ii) within three (3) months thereafter promptly agree on the
951 appropriate revision(s). The time periods specified above may be extended by mutual agreement
952 of the parties. Pending the completion of the actions designated above, to the extent it can do so
953 without violating any applicable provisions of law, the United States shall continue to make the
954 quantities of Project Water specified in this Contract available to the Contractors pursuant to the
955 provisions of this Contract which were not found to be legally invalid or unenforceable in the
956 final court decision.

957 OFFICIALS NOT TO BENEFIT

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

961 CHANGES IN CONTRACTORS' ORGANIZATION AND/OR SERVICE AREA

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

967 RECLAMATION REFORM ACT OF 1982

968 33. (a) Upon the Contractors' compliance with and discharge of the Repayment
969 Obligation pursuant to this Contract, subsections (a) and (b) of Section 213 of the Reclamation
970 Reform Act of 1982 (96 Stat. 1269) shall apply to affected lands.

971 (b) The obligation of the Contractors to pay the Additional Capital Obligation
972 shall not affect the Contractors' status as having repaid all of the construction costs assignable to
973 the Contractors or the applicability of subsections (a) and (b) of section 213 of the Reclamation
974 Reform Act of 1982 (96 Stat. 1269) once the Repayment Obligation is paid.

975 CERTIFICATION OF NONSEGREGATED FACILITIES

976 34. The Contractors hereby certify that the Contractors do not maintain or provide for
977 thier employees any segregated facilities at any of their establishments and that the Contracors
978 do not permit their employees to perform their services at any location under the Contractors
979 control where segregated facilities are maintained. The Contractors certify further that the
980 Contractors will not maintain or provide for their employees any segregated facilities at any of
981 their establishments and that the Contractors will not permit its employees to perform their
982 services at any location under the Contractors control where segregated facilities are maintained.
983 The Contractors agree that a breach of this certification is a violation of the Equal Employment
984 Opportunity clause in this Contract. As used in this certification, the term "segregated facilities"
985 means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating
986 areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking
987 fountains, recreation or entertainment areas, transportation, and housing facilities provided for
988 employees which are segregated by explicit directive or are in fact segregated on the basis of
989 race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The
990 Contractors further agree that (except where the Contractors have obtained identical
991 certifications from proposed subcontractors for specific time periods) the Contractors will obtain
992 identical certifications from proposed subcontractors prior to the award of subcontracts
993 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
994 Opportunity clause; that the Contractors will retain such certifications in their files; and that the
995 Contractors will forward the following notice to such proposed subcontractors (except where the
996 proposed subcontractors have submitted identical certifications for specific time periods):

997 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
998 CERTIFICATIONS OF NONSEGREGATED FACILITIES

999 A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract
1000 exceeding \$10,000 which is not exempt from the provisions of the Equal Employment
1001 Opportunity clause. The certification may be submitted either for each subcontract or for all
1002 subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for
1003 making false statements in offers is prescribed in 18 U.S.C. § 1001.

1004 MEDIUM FOR TRANSMITTING PAYMENT

1005 35. (a) All payments from the Contractors to the United States under this Contract
1006 shall be by the medium requested by the United States on or before the date payment is due. The
1007 required method of payment may include checks, wire transfers, or other types of payment
1008 specified by the United States.

1009 (b) Upon execution of this Contract, the Contractors shall furnish the
1010 Contracting Officer with the Contractors' taxpayer's identification number (TIN). The purpose
1011 for requiring the Contractors' TIN is for collecting and reporting any delinquent amounts arising
1012 out of the Contractors' relationship with the United States.

1013 TERMINATION OF PAJARO VALLEY WATER MANAGEMENT AGENCY INTEREST

1014 36. (a) Pajaros interest in Contract No. 14-06-200-3365A-IR3-B and all
1015 successive renewals is hereby terminated by mutual agreement.

1016 (b) This termination shall relieve the United States from its obligation to
1017 provide Pajaro with use of water in accordance with the agreement dated May 14, 1999 (Exhibit
1018 D).

1019 NOTICES

1020 37. Any notice, demand, or request authorized or required by this Contract shall be
1021 deemed to have been given, on behalf of the Contractors, when mailed, postage prepaid, or
1022 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,
1023 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,
1024 postage prepaid, or delivered to the Board of Directors of Santa Clara Valley Water District,
1025 5750 Almaden Expressway, San Jose, California 95118-3686, and the Board of Directors of
1026 Westlands Water District Distribution District No. 1, P.O. Box 6056, Fresno, California 93703-
1027 6056. The designation of the addressee or the address may be changed by notice given in the
1028 same manner as provided in this Article for other notices.

1029 CONTRACT DRAFTING CONSIDERATIONS

1030 38. This amended Contract has been negotiated and reviewed by the parties hereto,
1031 each of whom is sophisticated in the matters to which this amended Contract pertains. The
1032 double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by
1033 the parties, and no one party shall be considered to have drafted the stated Articles. Single-
1034 spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

1035 CONFIRMATION OF CONTRACT

1036 39. Promptly after the execution of this amended Contract, the Contractors will
1037 provide to the Contracting Officer a certified copy of a final decree of a court of competent
1038 jurisdiction in the State of California, confirming the proceedings on the part of the Contractors
1039 for the authorization of the execution of this amended Contract. This amended Contract shall not
1040 be binding on the United States until the Contractors secure a final decree.

1041 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day
1042 and year first above written.

1043 UNITED STATES OF AMERICA

1044 By: _____
1045 Regional Director
1046 Mid-Pacific Region
1047 Bureau of Reclamation

1048 WESTLANDS WATER DISTRICT DISTRIBUTION
1049 DISTRICT NO. 1
1050 (SEAL)

1051 By: _____
1052 President of the Board of Directors

1053 Attest:

1054 By: _____
1055 Secretary of the Board of Directors

1056 SANTA CLARA VALLEY WATER DISTRICT
1057 (SEAL)

1058 By: _____
1059 Chief Executive Officer

1060 Attest:

1061 By: _____
1062 Secretary of the Board of Directors