

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

CONTRACT BETWEEN THE UNITED STATES
AND
WESTLANDS WATER DISTRICT DISTRIBUTION DISTRICT NO. 2
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 Contractor	9
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	14
7	Rates, Method of Payment for Water and Accelerated Repayment of Facilities..	15
8	Non-Interest Bearing Operation and Maintenance Deficits	23
9	Transfers or Exchanges of Water	23
10	Application of Payments and Adjustments	24
11	Temporary Reductions – Return Flows.....	24
12	Constraints on the Availability of Water.....	25
13	Unavoidable Groundwater Percolation	27
14	Compliance with Federal Reclamation Laws.....	27
15	Protection of Water and Air Quality	27
16	Water Acquired by the Contractor Other Than From the United States	28
17	Opinions and Determinations.....	28
18	Charges for Delinquent Payments.....	29
19	Equal Employment Opportunity	29
20	General Obligation – Benefits Conditioned Upon Payment	31
21	Compliance with Civil Rights Laws and Regulations.....	31

Table of Contents – continued

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

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AND
WESTLANDS WATER DISTRICT DISTRIBUTION DISTRICT NO. 2
PROVIDING FOR PROJECT WATER SERVICE
AND FACILITIES REPAYMENT

1 THIS CONTRACT, made this 29th day of MAY 2020, 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 WESTLANDS WATER DISTRICT DISTRIBUTION
11 DISTRICT NO. 2, hereinafter referred to as the Contractor, a public agency of the State of
12 California, duly organized, existing, and acting pursuant to the laws thereof;

13 WITNESSETH, That:

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EXPLANATORY RECITALS

[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 Contractor 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, 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 Contract No. 14-06-200-3365A-IR1 and subsequent Interim Renewal Contracts 14-06-200-3365A-IR2 through 14-06-200-3365A-IR7, which provided for the continued water service to the District from March 1, 1995, through February 29, 2004; and

[5th] WHEREAS, the Contractor and the District executed an agreement on March 1, 2003, to provide for the assignment of 4,198 acre-feet of Project Water under the District’s Contract No. 14-06-200-3365A-IR7; and

[6th] WHEREAS, the United States and the Contractor entered into Contract Number 14-06-200-3365A-IR8-C and subsequent Interim Renewal Contracts 14-06-200-3365A-IR9-C through 14-06-200-3365A-IR17-C, the last of which is hereinafter referred to as the “Existing

37 Contract”, which established terms for the delivery of Project Water to the Contractor from the
38 Delta Division, and which was in effect the date the WIIN Act was enacted; and

39 [7th] WHEREAS, on December 16, 2016, the 114th Congress of the United States of
40 America enacted the WIIN Act; and

41 [8th] WHEREAS, Section 4011(a)(1) provides that “upon request of the contractor, the
42 Secretary of the Interior shall convert any water service contract in effect on the date of
43 enactment of this subtitle and between the United States and a water users’ association
44 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
45 mutually agreeable terms and conditions.”; and

46 [9th] WHEREAS, Section 4011(a)(1) further provides that “the manner of conversion
47 under this paragraph shall be as follows: (A) Water service contracts that were entered into
48 under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section
49 shall be converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195)”; and
50 “(B) Water service contracts that were entered under subsection (c)(2) of section 9 of the Act of
51 August 4, 1939 (53 Stat. 1194), to be converted under this section shall be converted to a
52 contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195).”; and

53 [10th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered into
54 pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service, repayment,
55 exchange, and transfer contractual rights between the water users’ association [Contractor], and
56 the Bureau of Reclamation, or any rights, obligations, or relationships of the water users’
57 association [Contractor] and their landowners as provided under State law.”; and

58 [11th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
59 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water

60 service or repayment contractor to receive water; or (4) except as expressly provided in this
61 section, any obligations under the Federal Reclamation law, including the continuation of
62 Restoration Fund charges pursuant to section 3407(d) (Pub. L. 102-575), of the water service and
63 repayment contractors making prepayments pursuant to this section.”; and

64 [12th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
65 Secretary to convert irrigation water service contracts and Municipal and Industrial (M&I) water
66 service contracts into repayment contracts, amend existing repayment contracts, and allow
67 contractors to prepay their construction cost obligations pursuant to applicable Federal
68 Reclamation law; and

69 [13th] WHEREAS, the United States has determined that the Contractor has to date
70 fulfilled all of its obligations under the Existing Contract; and

71 [14th] WHEREAS, the Contracting Officer has determined that the Contractor has the
72 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable
73 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this
74 Contract; and

75 [15th] WHEREAS, the Contracting Officer and the Contractor agree that this Contract
76 complies with Section 4011 of the WIIN Act; and

77 [16th] WHEREAS, the Contracting Officer and the Contractor agree to amend and
78 convert the Existing Contract pursuant to section 4011 of the WIIN Act and other Federal
79 Reclamation law on the terms and conditions set forth below;

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

DEFINITIONS

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1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent of the parties as expressed in this Contract, the term:
 - (a) “Additional Capital Obligation” shall mean construction costs or other capitalized costs incurred after the Effective Date of Contract or not reflected in the Existing Capital Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B) and (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) (“WIIN Act”);
 - (b) “Calendar Year” shall mean the period January 1 through December 31, both dates inclusive;
 - (c) “Charges” shall mean the payments required by Federal Reclamation law in addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually by the Contracting Officer pursuant to this Contract;
 - (d) “Contractor’s Boundaries” shall mean the area to which the Contractor is permitted to provide Project Water under this Contract;
 - (e) “CVPIA” shall mean the Central Valley Project Improvement Act, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);
 - (f) “Delivered Water” or “Water Delivered” shall mean Project Water made available to the Contractor and diverted at the point(s) of delivery approved by the Contracting Officer;
 - (g) “Eligible Lands” shall mean all lands to which Irrigation Water may be delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), as amended;

105 (h) “Excess Lands” shall mean all lands defined as excess in Section 204 of
106 the Reclamation Reform Act of 1982, other than those lands exempt from acreage limitation
107 under Federal Reclamation law;

108 (i) “Existing Capital Obligation” shall mean the remaining amount of
109 construction costs or other capitalized costs allocable to the Contractor as described in section
110 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
111 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
112 in the Final 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The
113 Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in
114 Exhibit “C”, which is incorporated herein by reference;

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

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

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

122 (m) “Landholder” shall mean an individual or entity attributed with the total
123 irrigable acreage of one or more tracts of land situated in one or more districts owned and/or
124 operated under a lease which is served with Irrigation Water pursuant to a contract with the
125 United States;

126 (n) “Municipal and Industrial (M&I) Water” shall mean the use of Project
127 Water for municipal, industrial, and miscellaneous other purposes not falling under the definition
128 of “Irrigation Water” or within another category of water use under an applicable Federal
129 authority;

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

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

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

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

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

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

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

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

153 (w) “Tiered Pricing Component” shall be the incremental amount to be paid
154 for each acre-foot of Water Delivered as described in Article 7 of this Contract and as provided
155 for in Exhibit “A”;

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

159 (y) “Year” shall mean the period from and including March 1 of each
160 Calendar Year through the last day of February of the following Calendar Year.

161 TERM OF CONTRACT – RIGHT TO USE OF WATER

162 2. (a) This Contract shall be effective June 1, 2020, hereinafter known as the
163 “Effective Date”, and shall continue so long as the Contractor pays applicable Rates and Charges
164 under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat.
165 1195) as applicable, and applicable law;

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

172 (2) *Provided further*, That the Contracting Officer shall not seek to
173 suspend making water available or declaring Water Made Available pursuant to this Contract for
174 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the
175 Contracting Officer has first provided at least thirty (30) calendar days written notice to the
176 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence

177 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully
178 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has
179 suspended making water available pursuant to this paragraph, upon cure of such non-compliance
180 satisfactory to the to the Contracting Officer, the Contracting Officer shall resume making water
181 available and declaring Water Made Available pursuant to this Contract;

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

184 (b) Upon complete payment of the Repayment Obligation by the Contractor,
185 and notwithstanding any Additional Capital Obligation that may later be established, the acreage
186 limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982,
187 and subdivisions (g) Eligible Lands, (h) Excess Lands, and (k) Ineligible Lands of Article 1 of
188 this Contract shall no longer be applicable.

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

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

195 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

196 3. (a) Subject to the provisions set forth in Articles 11 and 12 of this Contract,
197 and consistent with applicable State water rights, permits, and licenses, the Contractor is entitled
198 to, and the Contracting Officer shall be obligated to make available to the Contractor up to 4,198
199 acre-feet of Project Water during any Year for Irrigation and/or Municipal and Industrial
200 purposes. The quantity of Project Water delivered to the Contractor in accordance with this

201 subdivision of this Article 3 in any Year shall be scheduled and paid for pursuant to the
202 provisions of Articles 4 and 7 of this Contract, and shall not exceed the quantity of Project Water
203 the Contractor intends to put to reasonable beneficial use within the Contractor's Boundaries or
204 sold, transferred, or exchanged pursuant to Article 9 of this Contract.

205 (b) The Contractor shall utilize the Project Water made available to it
206 pursuant to this Contract in accordance with all applicable requirements of any Biological
207 Opinion(s) prepared as a result of a consultation regarding the execution of any water service
208 contract between the Contracting Officer and the Contractor in effect immediately prior to the
209 Effective Date developed pursuant to Section 7 of the Endangered Species Act of 1973 as
210 amended, and in accordance with environmental documentation as may be required for specific
211 activities, including conversion of Irrigation Water to M&I Water.

212 (c) The Contractor shall make reasonable and beneficial use of Project Water
213 or other water furnished pursuant to this Contract. In addition, use of Project Water in a
214 groundwater recharge program shall be permitted under this Contract to the extent that it is
215 carried out in accordance with California law: *Provided, however,* That such groundwater
216 recharge program cannot be undertaken unless and until the Contractor submits a groundwater
217 management plan pursuant to California law that demonstrates that such groundwater recharge
218 program will result in a reasonable and beneficial use of such water.

219 (d) If the Contracting Officer determines that Project Water, or other water
220 available to the Project, can be made available to the Contractor in addition to the quantity of
221 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the
222 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any

223 quantity of such water, the Contracting Officer shall make such water available to the Contractor
224 in accordance with applicable statutes, regulations, guidelines, and policies.

225 (e) If the Contractor requests permission to reschedule for use during the
226 subsequent Year some or all of the Project Water made available to the Contractor during the
227 current Year or to use, during the current Year, that quantity of Project Water the United States
228 has agreed to make available to the Contractor during the subsequent Year, the Contracting
229 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and
230 policies.

231 (f) The Contractor's rights pursuant to Federal Reclamation law and
232 applicable State law to the beneficial use of water furnished pursuant to this Contract shall not be
233 disturbed so long as the Contractor shall fulfill all of its obligations under this Contract. Nothing
234 in the preceding sentence shall affect the Contracting Officer's ability to impose shortages under
235 subdivision (b) of Article 12 of this Contract.

236 (g) Notwithstanding subdivisions (l) and (n) of Article 1 of this Contract,
237 Project Water furnished to the Contractor pursuant to this Contract may be delivered for
238 purposes other than those described in subdivisions (l) and (n) of Article 1 of this Contract upon
239 written approval by the Contracting Officer in accordance with the terms and conditions of such
240 approval.

241 (h) The Contractor's right pursuant to Federal Reclamation law and applicable
242 State law to the reasonable and beneficial use of the Water Delivered pursuant to this Contract
243 shall not be disturbed, and this Contract shall continue so long as the Contractor pays applicable
244 Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of
245 August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding

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

248 TIME FOR DELIVERY OF WATER

249 4. (a) On or about February 20, of each Calendar Year, the Contracting Officer
250 shall declare the amount of Project Water estimated to be made available to the Contractor
251 pursuant to this Contract for the upcoming Year. The declaration will be updated monthly, as
252 necessary, based on current hydrologic conditions. The Contracting Officer shall make available
253 the forecast of Project operations, with relevant supporting information, upon the written request
254 of the Contractor or its representatives. Upon written request of the Contractor, the Contracting
255 Officer shall provide the basis of the estimate which shall include, but not be limited to, a
256 monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of Project
257 reservoirs, projected CVPIA impacts, projected Endangered Species Act and all other regulatory
258 impacts.

259 (b) On or before each March 1, the Contractor shall submit to the Contracting
260 Officer and at such other times as necessary, a written schedule, satisfactory to the Contracting
261 Officer, showing the times and quantities of Project Water to be delivered by the United States to
262 the Contractor pursuant to this Contract, and consistent with subdivision (a) of Article 3 of this
263 Contract.

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

269 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

270 5. (a) The Project Water to be furnished to the Contractor pursuant to this
271 Contract shall be made available to the Contractor at the mileposts identified in Exhibit “B” and
272 any additional point or points of delivery either on Project facilities or another location or
273 locations mutually agreed to in writing by the Contracting Officer and the Contractor.

274 (b) The Contracting Officer shall make all reasonable efforts to maintain
275 sufficient flows and levels of water in the Delta-Mendota Canal and/or the San Luis Canal to
276 furnish Project Water to the Contractor at the turnout(s) established as a delivery point(s)
277 pursuant to subdivision (a) of this Article.

278 (c) Irrigation Water furnished to the Contractor pursuant to this Contract shall
279 be delivered by the Contractor in accordance with any applicable land classification provisions
280 of Federal Reclamation law and the associated regulations. Project Water shall not be delivered
281 to land outside the Contractor's Boundaries unless approved in advance by the Contracting
282 Officer.

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

291 (e) Neither the United States nor any Operating Non-Federal Entity shall be
292 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water

293 made available to the Contractor pursuant to this Contract beyond the delivery points specified in
294 subdivision (a) of this Article. The Contractor shall indemnify the United States its officers,
295 employees, agents, and assigns on account of damage or claim of damage of any nature
296 whatsoever for which there is legal responsibility, including property damage, personal injury, or
297 death arising out of or connected with the control, carriage, handling, use, disposal, or
298 distribution of such Project Water beyond such delivery points, except for any damage or claim
299 arising out of (i) acts performed by the United States or any of its officers, employees, agents, or
300 assigns, including any responsible Operating Non-Federal Entity, with the intent of creating the
301 situation resulting in any damage or claim; (ii) willful misconduct of the United States or any of
302 its officers, employees, agents, or assigns, including any responsible Operating Non-Federal
303 Entity, or (iii) negligence of the United States or any of its officers, employees, agents, or
304 assigns, including any responsible Operating Non-Federal Entity.

305 MEASUREMENT OF WATER WITHIN THE DISTRICT

306 6. (a) Within five (5)-years of the Effective Date of this Contract, the Contractor
307 shall ensure that, unless the Contractor establishes an alternative measurement program
308 satisfactory to the Contracting Officer, all surface water delivered for irrigation purposes within
309 the Contractor's Boundaries is measured at each agricultural turnout and such water delivered for
310 Municipal and Industrial purposes is measured at each Municipal and Industrial service
311 connection. All water measuring devices or water measuring methods of comparable
312 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible
313 for installing, operating, and maintaining and repairing all such measuring devices and
314 implementing all such water measuring methods at no cost to the United States. The Contractor
315 shall use the information obtained from such water measuring devices or water measuring
316 methods to ensure proper management of the water; to bill water users for water delivered by the

317 Contractor; and, if applicable, to record water delivered for Municipal and Industrial purposes by
318 customer class as defined in its water conservation plan. Nothing herein contained in this
319 Article, however, shall preclude the Contractor from establishing and collecting any charges,
320 assessments or other revenues authorized by California law. The Contractor shall include a
321 summary of its annual surface water deliveries in the annual report described in subdivision (d)
322 of Article 24 of this Contract.

323 (b) Omitted.

324 (c) All new surface water delivery systems installed within the Contractor's
325 Boundaries after the Effective Date of this Contract shall also comply with the measurement
326 provisions described in subdivision (a) of this Article.

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

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

332 7. (a) Notwithstanding the Contractor's full prepayment of the Repayment
333 Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection (a)(3)(A) of the WIIN
334 Act, as set forth in Exhibit "C", and any payments required pursuant to section 4011, subsection
335 (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described in this
336 Article, subsection (b), the Contractor's Project construction and other obligations shall be
337 determined in accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted
338 in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent with the
339 WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only through
340 a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated

341 rules and regulations, or policies, and (iii) other applicable provisions of this Contract. Payments
342 shall be made by cash transaction, electronic funds transfers, or any other mechanism as may be
343 agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and
344 Tiered Pricing Component applicable to the Contractor upon execution of this Contract are set
345 forth in Exhibit “A”, as may be revised annually.

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

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

354 (A) The amount due and payable to the United States, pursuant
355 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been
356 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth
357 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual
358 installments (Irrigation Only) to be repaid no later than three (3) years after the Effective Date of
359 this Contract as set forth in Exhibit “C”. The Repayment Obligation is due in lump sum by July
360 31, 2020 as provided by the WIIN Act. The Contractor must provide appropriate notice to the
361 Contracting Officer in writing no later than thirty (30) days prior to the Effective Date if electing
362 to repay the amount due using the lump sum alternative. If such notice is not provided by such
363 date, the Contractor shall be deemed to have elected the installment payment alternative, in

364 which case, the first such payment shall be made no later than July 31, 2020. The second
365 payment shall be made no later than the first anniversary of the first payment date. The third
366 payment shall be made no later than the second anniversary of the first payment date. The final
367 payment shall be made no later than June 1, 2023. If the installment payment option is elected
368 by the Contractor, the Contractor may pre-pay the remaining portion of the Repayment
369 Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the
370 Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using
371 the same methodology as was used to compute the initial annual installment payment amount,
372 which is illustrated in Exhibit "C". Notwithstanding any Additional Capital Obligation that may
373 later be established, receipt of the Contractor's payment of the Repayment Obligation to the
374 United States shall fully and permanently satisfy the Existing Capital Obligation.

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

387 (1) If the collective Additional Capital Obligation
388 properly assignable to the contractors exercising conversion under section 4011 of the WIIN Act
389 is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable
390 to the Contractor shall be repaid not more than five (5)-years after the Contracting Officer
391 notifies the Contractor of the Additional Capital Obligation; *Provided*, That the reference to the
392 amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

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

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

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

411 (1) Prior to July 1, of each Calendar Year, the Contracting Officer
412 shall provide the Contractor the preliminary calculation of the Charges that will be applied for
413 the period October 1, of the current Calendar Year, through September 30, of the following
414 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such
415 calculations. On or before September 15, of each Calendar Year, the Contracting Officer shall
416 notify the Contractor in writing of the Charges to be in effect during the period October 1, of the
417 current Calendar Year, through September 30, of the following Calendar Year, and such
418 notification shall revise Exhibit "A".

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

426 (d) At the time the Contractor submits the initial schedule for the delivery of
427 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
428 Contractor shall pay the United States the total amount payable pursuant to the applicable Rate(s)
429 for all Project Water scheduled to be delivered pursuant to this Contract during the first two (2)
430 calendar months of the Year. Before the end of the first month or part thereof of the Year, and
431 before the end of each calendar month thereafter, the Contractor shall pay pursuant to the

432 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this Contract
433 during the second month immediately following. Adjustments between the payments for the
434 scheduled amount of Project Water and the appropriate payments for quantities of Delivered
435 Water furnished pursuant to this Contract each month shall be made before the end of the
436 following month: Provided, That any revised schedule submitted by the Contractor pursuant to
437 Article 4 of this Contract, which increases the amount of Project Water to be delivered pursuant
438 to this Contract during any month shall be accompanied with appropriate payment for Rates to
439 assure that Project Water is not furnished to the Contractor in advance of such payment. In any
440 month in which the quantity of Delivered Water furnished to the Contractor pursuant to this
441 Contract equals the quantity of Project Water scheduled and paid for by the Contractor, no
442 additional Project Water shall be made available to the Contractor unless and until payment of
443 Rates for such additional Project Water is made. Final adjustment between the payments of
444 Rates for the Project Water scheduled and the quantities of Delivered Water furnished during
445 each Year pursuant to this Contract shall be made as soon as possible but no later than April 30th
446 of the following Year.

447 (e) The Contractor shall also make a payment in addition to the Rate(s) in
448 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the
449 appropriate Tiered Pricing Component then in effect, before the end of the month following the
450 month of delivery; Provided, That the Contractor may be granted an exception from the Tiered
451 Pricing Component pursuant to subdivision (k)(2) of this Article. The payments shall be
452 consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the
453 water delivery report for the subject month prepared by the Operating Non-Federal Entity or, if
454 there is no Operating Non-Federal Entity, by the Contracting Officer. The water delivery report

455 shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing Component
456 for Water Delivered. Adjustment for overpayment or underpayment of Charges shall be made
457 through the adjustment of payments due to the United States for Charges for the next month.

458 Any amount to be paid for past due payment of Charges and the Tiered Pricing Component shall
459 be computed pursuant to Article 18 of this Contract.

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

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

465 (h) Revenues received by the United States pursuant to this Contract shall be
466 allocated and applied in accordance with Federal Reclamation law, including but not limited to,
467 subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and subsection (f) of Section
468 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of Section 3407 of the CVPIA,
469 and the associated regulations, including but not limited to, the Project Irrigation Water
470 ratesetting policy and the Project M&I Water ratesetting policy promulgated pursuant to the
471 Administrative Procedures Act.

472 (i) At the Contractor's request, the Contracting Officer shall provide to the
473 Contractor an accounting of all of the expenses allocated and the disposition of all revenues
474 received pursuant to this Contract in sufficient detail to allow the Contractor to determine that
475 the allocation of expenses and disposition of all revenues received was accomplished in
476 conformance with Federal Reclamation law and the associated regulations. The Contracting

477 Officer and the Contractor shall enter into good faith negotiations to resolve any discrepancies or
478 disputes arising out of said accounting of the Contractor's review thereof.

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

486 (k) (1) Beginning at such time as deliveries of Project Water in a Year
487 exceed 80 percent of the Contract Total, then before the end of the month following the month of
488 delivery the Contractor shall make an additional payment to the United States equal to the
489 applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water
490 Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the
491 Contract Total, shall equal one-half of the difference between the Rate established under
492 subdivision (a) of this Article and the Irrigation Full Cost Water Rate or M&I Full Cost Water
493 Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water
494 Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i)
495 the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water
496 Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to
497 subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract
498 Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in
499 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

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

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

513 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

514 8. The Contractor and the Contracting Officer concur that at the time of execution of
515 this Contract, the Contractor has no non-interest bearing O&M deficits and shall have no further
516 liability therefor.

517 TRANSFERS OR EXCHANGES OF WATER

518 9. The right to Project Water provided for in this Contract may be sold, transferred,
519 or exchanged to others for beneficial uses within the State of California if such sale, transfer, or
520 exchange is authorized by applicable Federal laws, State laws, and applicable guidelines or
521 regulations then in effect. The right to sell, transfer, or exchange Project Water shall include,
522 and the Contracting Officer shall apply this Article in a manner that does not impede or restrict,
523 lawful short-term sales, transfers, or exchanges of the type the District and Contractor

524 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-
525 3365A, as amended, assigned, and renewed. No sale, transfer, or exchange of the right to Project
526 Water under this Contract may take place without the prior written approval of the Contracting
527 Officer.

528 APPLICATION OF PAYMENTS AND ADJUSTMENTS

529 10. (a) The amount of any overpayment by the Contractor shall be applied first to
530 any accrued indebtedness arising out of this Contract then due and payable by the Contractor.
531 Any amount of such overpayment then remaining shall, at the option of the Contractor, be
532 refunded to the Contractor or credited upon amounts to become due to the United States from the
533 Contractor under the provisions of this Contract in the following months. With respect to
534 overpayment, such adjustment shall constitute the sole remedy of the Contractor or anyone
535 having or claiming to have the right to the use of any of the water supply provide for in this
536 Contract.

537 (b) All advances for miscellaneous costs incurred for work requested by the
538 Contractor pursuant to Article 23 of this Contract shall be adjusted to reflect the actual costs
539 when the work has been completed. If the advances exceed the actual costs incurred, the
540 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
541 advances, the Contractor will be billed for the additional costs pursuant to Article 23 of this
542 Contract.

543 TEMPORARY REDUCTIONS – RETURN FLOWS

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

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

561 (c) The United States reserves the right to all seepage and return flow water
562 derived from water delivered to the Contractor under this Contract which escapes or is
563 discharged beyond the Contractor's Boundaries: Provided, That this shall not be construed as
564 claiming for the United States any right to seepage or return flow being put to reasonable and
565 beneficial use pursuant to this Contract within the Contractor's Boundaries by the Contractor or
566 those claiming by, through, or under the Contractor.

567 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

573 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting
574 or other similar operational errors affecting the Project; drought and other physical or natural
575 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer
576 to meet current and future legal obligations, then, except as provided in subdivision (a) of Article
577 17 of this Contract, no liability shall accrue against the United States or any of its officers,
578 agents, or employees for any damage, direct or indirect, arising therefrom.

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

585 (d) Subject to subdivision (c) of this Article, in any Year in which there may
586 occur a shortage for any of the reasons specified in subdivision (b) of this Article, the
587 Contracting Officer shall apportion the available Project Water among the Contractor and others
588 entitled to receive Project Water from the Delta-Mendota Canal as follows:

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

593 (2) The total quantity of water scheduled to be delivered to the
594 Contractor from the Delta-Mendota Canal during the respective Year under subdivision (a) of
595 Article 3 of this Contract shall be divided by the contractual commitments, the quotient thus
596 obtained being herein referred to as the Contractor's contractual entitlement from the Delta-
597 Mendota Canal.

598 (3) The supply determined by the Contracting Officer to be available
599 from the Delta-Mendota Canal shall be multiplied by the Contractor's contractual entitlement and
600 the result shall be the quantity of water required to be delivered by the United States to the
601 Contractor for the respective Year from the Delta-Mendota Canal.

602 UNAVOIDABLE GROUNDWATER PERCOLATION

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

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

609 COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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

615 PROTECTION OF WATER AND AIR QUALITY

616 15. (a) Omitted

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

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

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

631 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN FROM THE UNITED
632 STATES

633 16. (a) Water or water rights now owned or hereafter acquired by the Contractor
634 other than from the United States and Irrigation Water furnished pursuant to the terms of this
635 Contract may be simultaneously transported through the same distribution facilities of the
636 Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water
637 and non-Project water were constructed without funds made available pursuant to Federal
638 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the
639 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive
640 Irrigation Water must be established through the certification requirements as specified in the
641 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of
642 Eligible Lands within the Contractor's Boundaries can be established and the quantity of
643 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such
644 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-
645 Project water are constructed with funds made available pursuant to Federal Reclamation law,
646 the non-Project water will be subject to Federal Reclamation law, until such funds have been
647 repaid.

648 (b) Upon complete payment of the Repayment Obligation by the Contractor,
649 this Article 16 shall no longer be applicable.

650 OPINIONS AND DETERMINATIONS

651 17. (a) Where the terms of this Contract provide for actions to be based upon the
652 opinion or determination of either party to this Contract, said terms shall not be construed as
653 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or

654 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly
655 reserve the right to relief from and appropriate adjustment for any such arbitrary, capricious, or
656 unreasonable opinion or determination. Each opinion or determination by either party shall be
657 provided in a timely manner.

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

663 CHARGES FOR DELINQUENT PAYMENTS

664 18. (a) The Contractor shall be subject to interest, administrative, and penalty
665 charges on delinquent payments. If a payment is not received by the due date, the Contractor
666 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
667 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in
668 addition to the interest charge, an administrative charge to cover additional costs of billing and
669 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor
670 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the
671 payment is delinquent beyond the due date, based on the remaining balance of the payment due
672 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
673 collection services associated with a delinquent payment.

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

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

681 EQUAL EMPLOYMENT OPPORTUNITY

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

683 (a) The Contractor will not discriminate against any employee or applicant for
684 employment because of race, color, religion, sex, sexual orientation, gender identity, or national
685 origin. The Contractor will take affirmative action to ensure that applicants are employed, and

686 that employees are treated during employment, without regard to their race, color, religion, sex,
687 sexual orientation, gender identity, or national origin. Such action shall include, but not be
688 limited to, the following: employment, upgrading, demotion, or transfer; recruitment or
689 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
690 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous
691 places, available to employees and applicants for employment, notices to be provided by the
692 Contracting Officer setting forth the provisions of this nondiscrimination clause.

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

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

707 (d) The Contractor will send to each labor union or representative of workers
708 with which it has a collective bargaining agreement or other contract or understanding, a notice,
709 to be provided by the Contracting Officer, advising the labor union or workers' representative of
710 the Contractor's commitments under section 202 of Executive Order No. 11246 of September
711 24, 1965, and shall post copies of the notice in conspicuous places available to employees and
712 applicants for employment.

713 (e) The Contractor will comply with all provisions of Executive Order No.
714 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
715 of Labor.

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

721 (g) In the event of the Contractor's noncompliance with the nondiscrimination
722 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
723 canceled, terminated or suspended in whole or in part and the Contractor may be declared
724 ineligible for further Government contracts in accordance with procedures authorized in
725 Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed

726 and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by
727 rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

728 (h) The Contractor will include the provisions of paragraphs (a) through (g) in
729 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
730 Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September
731 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
732 Contractor will take such action with respect to any subcontract or purchase order as may be
733 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
734 for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or
735 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
736 Contractor may request the United States to enter into such litigation to protect the interests of
737 the United States.

738 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

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

743 (b) The payment of charges becoming due pursuant to this Contract is a
744 condition precedent to receiving benefits under this Contract. The United States shall not make
745 water available to the Contractor through Project facilities during any period in which the
746 Contractor is in arrears in the advance payment of water rates due the United States. The
747 Contractor shall not deliver water under the terms and conditions of this Contract for lands or
748 parties that are in arrears in the advance payment of water rates as levied or established by the
749 Contractor.

750 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

751 21. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
752 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
753 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title
754 III; 42 U.S.C. 6101, et seq.), Title III of the Americans with Disabilities Act of 1990 (Pub. L.
755 101-336; 42 U.S.C. § 12181, et seq.), and any other applicable civil rights laws, and with the
756 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
757 Interior and/or Bureau of Reclamation.

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

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

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

775 PRIVACY ACT COMPLIANCE

776 22. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)
777 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act
778 (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting records required
779 to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the
780 Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to 43
781 C.F.R. § 426.18.

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

787 (c) The Contracting Officer or a designated representative shall provide the
788 Contractor with current copies of the Department of the Interior Privacy Act regulations and the
789 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-
790 31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of
791 information contained in the Landholders' certification and reporting records.

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

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

803 (f) Upon complete payment of the Repayment Obligation by the Contractor,
804 this Article 22 will no longer be applicable.

805 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

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

814 WATER CONSERVATION

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

819 Additionally, an effective water conservation and efficiency program shall be based on the
820 Contractor's water conservation plan that has been determined by the Contracting Officer to meet
821 the conservation and efficiency criteria for evaluating water conservation plans established under
822 Federal law. The water conservation and efficiency program shall contain definite water
823 conservation objectives, appropriate economically feasible water conservation measures, and
824 time schedules for meeting those objectives.

825 (b) Should the amount of M&I Water delivered pursuant to subdivision (a)
826 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall
827 implement the Best Management Practices identified by and the time frames issued by the Mid-

828 Pacific Region’s then-existing conservation and efficiency criteria for such M&I Water unless
829 any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

830 (c) Omitted

831 (d) The Contractor shall submit to the Contracting Officer by December 31, of
832 each Calendar Year, an annual report on the status of its implementation of the water
833 conservation program.

834 (e) At five (5)-year intervals, the Contractor shall revise its water
835 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
836 water conservation plans established under Federal law and submit such revised water
837 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
838 will then determine if the water conservation plan meets the Bureau of Reclamation’s then-
839 existing conservation and efficiency criteria for evaluating water conservation plans established
840 under Federal law.

841 (f) Omitted

842 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

843 25. Except as specifically provided in Article 16 of this Contract, the provisions of
844 this Contract shall not be applicable to or affect water or water rights now owned or hereafter
845 acquired by the Contractor or any user of such water within the Contractor's Boundaries from
846 other than the United States by the Contractor. Any such water shall not be considered Project
847 Water under this Contract. In addition, this Contract shall not be construed as limiting or
848 curtailing any rights which the Contractor or any water user within the Contractor's Boundaries
849 acquires or has available under any other contract pursuant to the Federal Reclamation law.

850 OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

851 26. (a) The responsibility for performing and, in some cases, funding the O&M of
852 all or any portion of the Delta Division facilities may be transferred to an Operating Non-Federal
853 Entity by one or more separate agreements between the United States and the Operating Non-
854 Federal Entity. Any such agreement(s) shall require the Operating Non-Federal Entity to
855 perform the O&M in compliance with the provisions of this Contract and shall not interfere with
856 the rights and obligations of the Contractor and the United States under this Contract.

857 (b) The Contracting Officer has previously notified the Contractor in writing
858 that the Operation and Maintenance of a portion of the Project facilities which serve the
859 Contractor has been transferred to the Operating Non-Federal Entity, and therefore, the
860 Contractor shall pay directly to the Operating Non-Federal Entity, or to any successor approved
861 by the Contracting Officer under the terms and conditions of the separate agreement between the
862 United States and the Operating Non-Federal Entity described in subdivision (a) of this Article,
863 all rates, charges, or assessments of any kind, including any assessment for reserve funds, which
864 the Operating Non-Federal Entity or such successor determines, sets, or establishes for the
865 Operation and Maintenance of the portion of the Project facilities operated and maintained by the
866 Operating Non-Federal Entity or such successor. Such direct payments to Operating Non-
867 Federal Entity or such successor shall not relieve the Contractor of its obligation to pay directly
868 to the United States the Contractor's share of the Project Rates, Charges, and Tiered Pricing
869 Component except to the extent the Operating Non-Federal Entity collects payments on behalf of
870 the United States in accordance with the separate agreement identified in subdivision (a) of this
871 Article.

872 (c) In the event the Operation and Maintenance of the Project facilities
873 operated and maintained by the Operating Non-Federal Entity is re-assumed by the United States

874 during the term of this Contract, the Contracting Officer shall so notify the Contractor, in
875 writing, and present to the Contractor a revised Exhibit "A" which shall include the portion of
876 the Rates to be paid by the Contractor for Project Water under this Contract representing the
877 Operation and Maintenance costs of the portion of such Project facilities which have been
878 reassumed. The Contractor shall, thereafter, in the absence of written notification from the
879 Contracting Officer to the contrary, pay the Rates, Charges, and Tiered Pricing Component
880 specified in the revised Exhibit "A" directly to the United States in compliance with Article 7 of
881 this Contract.

882 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

888 BOOKS, RECORDS, AND REPORTS

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

899 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

927 CHANGES IN CONTRACTOR’S ORGANIZATION AND/OR SERVICE AREA

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

933 RECLAMATION REFORM ACT OF 1982

934 33. (a) Upon a Contractor’s compliance with and discharge of the Repayment
935 Obligation pursuant to this Contract, subsections (a) and (b) of Section 213 of the Reclamation
936 Reform Act of 1982 (96 Stat. 1269) shall apply to affected lands.

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

941 CERTIFICATION OF NONSEGREGATED FACILITIES

942 34. The Contractor hereby certifies that it does not maintain or provide for its
943 employees any segregated facilities at any of its establishments and that it does not permit its
944 employees to perform their services at any location under its control where segregated facilities
945 are maintained. It certifies further that it will not maintain or provide for its employees any
946 segregated facilities at any of its establishments and that it will not permit its employees to
947 perform their services at any location under its control where segregated facilities are
948 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
949 Employment Opportunity clause in this Contract. As used in this certification, the term
950 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,
951 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
952 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
953 facilities provided for employees which are segregated by explicit directive or are in fact
954 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
955 disability, or otherwise. The Contractor further agrees that (except where it has obtained
956 identical certifications from proposed subcontractors for specific time periods) it will obtain
957 identical certifications from proposed subcontractors prior to the award of subcontracts
958 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
959 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
960 following notice to such proposed subcontractors (except where the proposed subcontractors
961 have submitted identical certifications for specific time periods):

962 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
963 CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

969 MEDIUM FOR TRANSMITTING PAYMENT

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

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

978 NOTICES

979 36. Any notice, demand, or request authorized or required by this Contract shall be
980 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
981 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,
982 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,
983 postage prepaid, or delivered to the Board of Directors of the Westlands Water District
984 Distribution District No. 2, P.O. Box 6056, Fresno, California 93703-6056. The designation of
985 the addressee or the address may be changed by notice given in the same manner as provided in
986 this Article for other notices.

987 CONTRACT DRAFTING CONSIDERATIONS

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

993 CONFIRMATION OF CONTRACT

994 38. Promptly after the execution of this amended Contract, the Contractor will
995 provide to the Contracting Officer a certified copy of a final decree of a court of competent
996 jurisdiction in the State of California, confirming the proceedings on the part of the Contractor
997 for the authorization of the execution of this amended Contract. This amended Contract shall not
998 be binding on the United States until the Contractor secures a final decree.

999 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day
1000 and year first above written.

1001 **APPROVED AS TO LEGAL FORM AND SUFFICIENCY - REVIEWED BY:**

UNITED STATES OF AMERICA

BH

Digitally signed by BRIAN HUGHES
Date: 2020.05.26 15:48:10 -0700

**OFFICE OF THE REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR**

TIME STAMP: 1:37 pm, May 11 2020

1002 By: *[Signature]*
1003 Regional Director
1004 Interior Region 10: California-Great Basin
1005 Bureau of Reclamation



1006 WESTLANDS WATER DISTRICT DISTRIBUTION
1007 DISTRICT NO. 2
1008

1009 By: *[Signature]*
1010 President of the Board of Directors

1011 Attest:

1012 By: *Robbie Ormonde*
1013 Secretary of the Board of Directors

**EXHIBIT A
WESTLANDS WATER DISTRICT (DD #2)
(PARTIAL ASSIGNMENT OF MERCY SPRINGS WATER DISTRICT)
2020 Rates and Charges
(Per Acre-Foot)**

	Irrigation Water SLC	M&I⁴ Water SLC
COST-OF-SERVICE (COS) RATE		
Construction Costs	\$0.00	
DMC Aqueduct Intertie	\$0.00	
O&M Components		
Water Marketing	\$8.97	
Storage	\$18.01	
Credit for other PUE Remittance ¹	(\$2.28)	
Direct Pumping		
Deficit Cost (American Recovery and Reinvestment Act (ARRA) included)	\$0.00	
TOTAL COS RATE	\$24.70	
Project Use Energy Payment³		
Direct Pumping	\$11.35	
Other PUE Remittance	\$2.28	
IRRIGATION FULL-COST RATE *		
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	TBD	
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	TBD	
M&I FULL COST RATE		
TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)		
IRRIGATION *		
Tier 2 Rate: >80% <=90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate]/2 (Amount to be added to Tier 1 Rate)	TBD	
Tier 3 Rate: >90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate] (Amount to be added to Tier 1 Rate)	TBD	
M&I		
Tier 2 Rate: >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 (Amount to be Added to Tier 1 Rate)		
Tier 3 Rate: >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] (Amount to Be Added to Tier 1 Rate)		
CHARGES AND ASSESSMENTS (Payments in addition to Rates)		
P.L. 102-575 Surcharge (Restoration Fund Payment) [Section 3407(d)(2)(A)]	\$10.91	
P.L. 106-377 Assessment (Trinity Public Utilities District) [Appendix B, Section 203]	\$0.12	

EXPLANATORY NOTES

- Project Use Energy payment is being remitted to Western Area Power Authority for storage and direct pumping based on the deliveries of a select few contractors. The rates for the select few contractors are reduced as a credit in the O&M rates. All Contractors will ultimately pay for the storage and direct pumping service but as an offset to the amount paid by the select
- Project Use Energy payment is in addition to the Contract Rate and Full-Cost Water Rates. Refer to the water rate books for more information.
- The Contractor has not projected any delivery of M&I Water for the 2020 contract year. A temporary M&I Rate will be applied upon any M&I water delivery.

⁴ For Irrigation water, if construction paid under WIIN Act is paid in lump sum, full cost rates and tier pricing component is not applicable for 2020 water rates.

The CVP M&I Water Shortage Policy per EIS/EIR dated August 2015 and Record of Decision dated November 2015 defines the M&I Historic Use as the average quantity of CVP water put to beneficial use during the last three years of water deliveries, unconstrained (100% allocation) by the availability of CVP water for South of the Delta. Contractor's last three years in acre feet (AF) are: 2006 = 0 AF; 2011 = 0 AF; 2017 = 0 AF; equals a M&I Historic use average quantity of 0 AF.

Additional detail of rate components is available on the Internet at:
<http://www.usbr.gov/mp/cvp/water/rates/ratebooks/index.html>

Exhibit B

Points of Diversion on the San Luis Canal:

MP-104.18 Lat.1R, MP-105.2L, MP-105.22 Lat.1L, MP-105.23 Lat.2R,
MP-106.35 Lat.2L, MP-108.39 Lat.3L, MP-108.46 Lat.3R, MP-110.52 Lat. 4L,
MP-111.93 Lat.5L, MP-113 Lat.6L, MP-113.77 Lat.4R, MP-114R, MP-114.64R,
MP-114.90 Lat.5R, MP-114.92R, MP-116.02R, MP-116.32R, MP-116.91R,
MP-117.51 Lat.8L, MP-117.51R, MP-118.44 Lat.7R, MP-118.46R, MP-119.56R
A&B, MP-119.63 Lat.8R, MP-119.63R ABC, MP-120.77 Lat.9L, MP-120.86R,
MP-120.87R A&B, MP-121.92 Lat.10L, MP-122.02R, MP-122.05R,
MP-122.59R, MP-123.89R, MP-124.16R, MP-124.18 Lat.11L, MP-124.19R,
MP-125.36R, MP-126.65 Lat.12L, MP-128.49R, MP-128.57 Lat.11R,
MP-128.78R, MP-129.88 Lat.13L, MP-130.85 Lat.14L, MP-131.70 Lat.15L,
MP-132.74 Lat.12R, MP-132.81 Lat.16L, MP-133.81 Lat.17L, MP-133.81
Lat.13R, MP-134.94 Lat.18L, MP-135.96 Lat.14R, MP-136.05 Lat.19L,
MP-137.00 Lat.15R, MP-137.11 Lat.20L, MP-138.14 Lat.16R, MP-138.29
Lat.21L, MP-139.27 Lat.17R, MP-139.39 Lat.22L, MP-140.48 Lat.18R,
MP-140.57 Lat.23L, MP-141.29R, MP-141.53 Lat.19R, MP-141.60 Lat.24L,
MP-142.57R, MP-142.60R A&B, MP-143.16, MP-145.26 Lat.25L, MP-145.32
Lat.20R, MP-147.02 Lat.26L, MP-147.75R, MP-147.77R, MP-149.12 Lat.27L,
MP-149.55 Lat.21R, MP-149.59R, MP-150.48R, MP-150.88 Lat.28L, MP-151.19
Lat.22R, MP-152.35 Lat.29L, MP-154.11 Lat.30L, MP-156.34 Lat.23R,
MP-156.40 Lat.31L, MP-158.47 Lat.32L, MP-158.47 Lat.24R, MP-160.45
Lat.33L, MP-160.45 Lat.25R, MP-161.60 Lat.34L, MP-161.60 Lat.26R,
MP-162.63 Lat.35L, MP-163.59L, MP-163.69 Lat.36L, MP-163.69 Lat.27R,
MP-164.79 Lat.28R, MP-167.04 Lat.37L, MP-167.84 Lat.29R, MP-169.30
Lat.38L, MP-171.51 Lat.30R

