

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. 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.....	1
1	Definitions.....	4
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 .....	11
5	Point of Diversion and Responsibility for Distribution of Water .....	12
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

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. 1  
PROVIDING FOR PROJECT WATER SERVICE  
AND FACILITIES REPAYMENT

1        THIS CONTRACT, made this 29<sup>TH</sup> 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. 1, 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:

14                          EXPLANATORY RECITALS

15        [1<sup>st</sup>]      WHEREAS, the United States has constructed and is operating the Central Valley  
16      Project, California, for diversion, storage, carriage, distribution, and beneficial use, for flood

17 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and  
18 restoration, generation and distribution of electric energy, salinity control, navigation, and other  
19 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and  
20 the San Joaquin River and their tributaries; and

21 [2<sup>nd</sup>] WHEREAS, the United States constructed the Delta-Mendota Canal and related  
22 facilities, hereinafter collectively referred to as the Delta Division facilities, which will be used  
23 in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

24 [3<sup>rd</sup>] WHEREAS, the Widren Water District (District) and the United States entered  
25 into Contract No. 14-06-200-8018, which provided the District, Central Valley Project water  
26 from the Delta-Mendota Canal from September 28, 1959 to February 28, 1995; and

27 [4<sup>th</sup>] WHEREAS, the United States and the District entered into Contract No. 14-06-  
28 200-8018-IR1 and subsequent Interim Renewal Contracts 14-06-200-8018-IR2 through 14-06-  
29 200-8018-IR8, which provided for the continued water service to the District from March 1,  
30 1995, through February 28, 2006; and

31 [5<sup>th</sup>] WHEREAS, the Contractor and the District executed an agreement on February  
32 28, 2006, which assigned to the Contractor all right, title, and interest to Contract No. 14-06-200-  
33 8018-IR8; and

34 [6<sup>th</sup>] WHEREAS, the United States and the Contractor entered into Contract Number  
35 14-06-200-8018-IR9 and subsequent Interim Renewal Contracts 14-06-200-8018-IR10 through  
36 14-06-200-8018-IR17, the last of which is hereinafter referred to as the “Existing Contract”,  
37 which established terms for the delivery of Project Water to the Contractor from the Delta  
38 Division, and which was in effect the date the WIIN Act was enacted; and

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

41 [8<sup>th</sup>] 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 [9<sup>th</sup>] 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 [10<sup>th</sup>] 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 [11<sup>th</sup>] 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 [12<sup>th</sup>] 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 [13<sup>th</sup>] WHEREAS, the United States has determined that the Contractor has to date  
70 fulfilled all of its obligations under the Existing Contract; and

71 [14<sup>th</sup>] WHEREAS, the Contacting 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 [15<sup>th</sup>] WHEREAS, the Contracting Officer and the Contractor agree that this Contract  
76 complies with Section 4011 of the WIIN Act; and

77 [16<sup>th</sup>] 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:

82 DEFINITIONS

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

85                         (a)     “Additional Capital Obligation” shall mean construction costs or other  
86     capitalized costs incurred after the Effective Date of Contract or not reflected in the Existing  
87     Capital Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B)  
88     and (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130  
89     Stat. 1628) (“WIIN Act”);

90                         (b)     “Calendar Year” shall mean the period January 1 through December 31,  
91     both dates inclusive;

92                         (c)     “Charges” shall mean the payments required by Federal Reclamation law  
93     in addition to the Rates and Tiered Pricing Component specified in this Contract as determined  
94     annually by the Contracting Officer pursuant to this Contract;

95                         (d)     “Contractor’s Boundaries” shall mean the area to which the Contractor is  
96     permitted to provide Project Water under this Contract;

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

99                         (f)     “Delivered Water” or “Water Delivered” shall mean Project Water made  
100    available to the Contractor and diverted at the point(s) of delivery approved by the Contracting  
101   Officer;

102                         (g)     “Eligible Lands” shall mean all lands to which Irrigation Water may be  
103    delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982  
104   (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 ½ 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.

## 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;

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 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  
183 time 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 2,990  
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 Contractors 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 TIME FOR DELIVERY OF WATER

242 4. (a) On or about February 20, of each Calendar Year, the Contracting Officer  
243 shall declare the amount of Project Water estimated to be made available to the Contractor  
244 pursuant to this Contract for the upcoming Year. The declaration will be updated monthly, as  
245 necessary, based on current hydrologic conditions. The Contracting Officer shall make available  
246 the forecast of Project operations, with relevant supporting information, upon the written request

247 of the Contractor or its representatives. Upon written request of the Contractor, the Contracting  
248 Officer shall provide the basis of the estimate which shall include, but not be limited to, a  
249 monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of Project  
250 reservoirs, projected CVPIA impacts, projected Endangered Species Act and all other regulatory  
251 impacts.

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

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

262 **POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER**

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

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

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

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

284                             (e)     Neither the United States nor any Operating Non-Federal Entity shall be  
285     responsible for the control, carriage, handling, use, disposal, or distribution of Project Water  
286     made available to the Contractor pursuant to this Contract beyond the delivery points specified in  
287     subdivision (a) of this Article. The Contractor shall indemnify the United States its officers,  
288     employees, agents, and assigns on account of damage or claim of damage of any nature  
289     whatsoever for which there is legal responsibility, including property damage, personal injury, or  
290     death arising out of or connected with the control, carriage, handling, use, disposal, or  
291     distribution of such Project Water beyond such delivery points, except for any damage or claim  
292     arising out of (i) acts performed by the United States or any of its officers, employees, agents, or  
293     assigns, including any responsible Operating Non-Federal Entity, with the intent of creating the

294 situation resulting in any damage or claim; (ii) willful misconduct of the United States or any of  
295 its officers, employees, agents, or assigns, including any responsible Operating Non-Federal  
296 Entity, or (iii) negligence of the United States or any of its officers, employees, agents, or  
297 assigns, including any responsible Operating Non-Federal Entity.

298                   MEASUREMENT OF WATER WITHIN THE DISTRICT

299         6.         (a)         Within five (5)-years of the Effective Date of this Contract, the Contractor  
300 shall ensure that, unless the Contractor establishes an alternative measurement program  
301 satisfactory to the Contracting Officer, all surface water delivered for irrigation purposes within  
302 the Contractor's Boundaries is measured at each agricultural turnout and such water delivered for  
303 Municipal and Industrial purposes is measured at each Municipal and Industrial service  
304 connection. All water measuring devices or water measuring methods of comparable  
305 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible  
306 for installing, operating, and maintaining and repairing all such measuring devices and  
307 implementing all such water measuring methods at no cost to the United States. The Contractor  
308 shall use the information obtained from such water measuring devices or water measuring  
309 methods to ensure proper management of the water; to bill water users for water delivered by the  
310 Contractor; and, if applicable, to record water delivered for Municipal and Industrial purposes by  
311 customer class as defined in its water conservation plan. Nothing herein contained in this  
312 Article, however, shall preclude the Contractor from establishing and collecting any charges,  
313 assessments or other revenues authorized by California law. The Contractor shall include a  
314 summary of its annual surface water deliveries in the annual report described in subdivision (d)  
315 of Article 24 of this Contract.

316                   (b)         Omitted.

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

325        7.        (a)        Notwithstanding the Contractor's full prepayment of the Repayment  
326        Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection (a)(3)(A) of the WIIN  
327        Act, as set forth in Exhibit "C", and any payments required pursuant to section 4011, subsection  
328        (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described in this  
329        Article, subsection (b), the Contractor's Project construction and other obligations shall be  
330        determined in accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted  
331        in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent with the  
332        WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only through  
333        a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated  
334        rules and regulations, or policies, and (iii) other applicable provisions of this Contract. Payments  
335        shall be made by cash transaction, electronic funds transfers, or any other mechanism as may be  
336        agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and  
337        Tiered Pricing Component applicable to the Contractor upon execution of this Contract are set  
338        forth in Exhibit "A", as may be revised annually.

341 in accordance with policies for Irrigation Water and M&I Water. The Contractor's Rates shall  
342 be established to recover its estimated reimbursable costs included in the Operation and  
343 Maintenance component of the Rate and amounts established to recover deficits and other  
344 charges, if any, including construction costs as identified in the following subdivisions.

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

347 (A) The amount due and payable to the United States, pursuant  
348 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been  
349 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth  
350 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual  
351 installments (Irrigation Only) to be repaid no later than three (3) years after the Effective Date of  
352 this Contract as set forth in Exhibit "C". The Repayment Obligation is due in lump sum by July  
353 31, 2020 as provided by the WIIN Act. The Contractor must provide appropriate notice to the  
354 Contracting Officer in writing no later than thirty (30) days prior to the Effective Date if electing  
355 to repay the amount due using the lump sum alternative. If such notice is not provided by such  
356 date, the Contractor shall be deemed to have elected the installment payment alternative, in  
357 which case, the first such payment shall be made no later than July 31, 2020. The second  
358 payment shall be made no later than the first anniversary of the first payment date. The third  
359 payment shall be made no later than the second anniversary of the first payment date. The final  
360 payment shall be made no later than June 1, 2023. If the installment payment option is elected  
361 by the Contractor, the Contractor may pre-pay the remaining portion of the Repayment  
362 Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the  
363 Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using

364 the same methodology as was used to compute the initial annual installment payment amount,  
365 which is illustrated in Exhibit "C". Notwithstanding any Additional Capital Obligation that may  
366 later be established, receipt of the Contractor's payment of the Repayment Obligation to the  
367 United States shall fully and permanently satisfy the Existing Capital Obligation.

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

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

409 notify the Contractor in writing of the Charges to be in effect during the period October 1, of the  
410 current Calendar Year, through September 30, of the following Calendar Year, and such  
411 notification shall revise Exhibit "A".

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

419 (d) At the time the Contractor submits the initial schedule for the delivery of  
420 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the  
421 Contractor shall pay the United States the total amount payable pursuant to the applicable Rate(s)  
422 for all Project Water scheduled to be delivered pursuant to this Contract during the first two (2)  
423 calendar months of the Year. Before the end of the first month or part thereof of the Year, and  
424 before the end of each calendar month thereafter, the Contractor shall pay pursuant to the  
425 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this Contract  
426 during the second month immediately following. Adjustments between the payments for the  
427 scheduled amount of Project Water and the appropriate payments for quantities of Delivered  
428 Water furnished pursuant to this Contract each month shall be made before the end of the  
429 following month: *Provided*, That any revised schedule submitted by the Contractor pursuant to  
430 Article 4 of this Contract, which increases the amount of Project Water to be delivered pursuant  
431 to this Contract during any month shall be accompanied with appropriate payment for Rates to

432 assure that Project Water is not furnished to the Contractor in advance of such payment. In any  
433 month in which the quantity of Delivered Water furnished to the Contractor pursuant to this  
434 Contract equals the quantity of Project Water scheduled and paid for by the Contractor, no  
435 additional Project Water shall be made available to the Contractor unless and until payment of  
436 Rates for such additional Project Water is made. Final adjustment between the payments of  
437 Rates for the Project Water scheduled and the quantities of Delivered Water furnished during  
438 each Year pursuant to this Contract shall be made as soon as possible but no later than April 30th  
439 of the following Year.

440 (e) The Contractor shall also make a payment in addition to the Rate(s) in  
441 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the  
442 appropriate Tiered Pricing Component then in effect, before the end of the month following the  
443 month of delivery; *Provided*, That the Contractor may be granted an exception from the Tiered  
444 Pricing Component pursuant to subdivision (k)(2) of this Article. The payments shall be  
445 consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the  
446 water delivery report for the subject month prepared by the Operating Non-Federal Entity or, if  
447 there is no Operating Non-Federal Entity, by the Contracting Officer. The water delivery report  
448 shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing Component  
449 for Water Delivered. Adjustment for overpayment or underpayment of Charges shall be made  
450 through the adjustment of payments due to the United States for Charges for the next month.  
451 Any amount to be paid for past due payment of Charges and the Tiered Pricing Component shall  
452 be computed pursuant to Article 18 of this Contract.

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

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

458                         (h)     Revenues received by the United States pursuant to this Contract shall be  
459     allocated and applied in accordance with Federal Reclamation law, including but not limited to,  
460     subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and subsection (f) of Section  
461     3405, subsection (c)(l) of Section 3406 and subsection (d)(2)(A) of Section 3407 of the CVPIA,  
462     and the associated regulations, including but not limited to, the Project Irrigation Water  
463     ratesetting policy and the Project M&I Water ratesetting policy promulgated pursuant to the  
464     Administrative Procedures Act.

465                         (i)     At the Contractor's request, the Contracting Officer shall provide to the  
466     Contractor an accounting of all of the expenses allocated and the disposition of all revenues  
467     received pursuant to this Contract in sufficient detail to allow the Contractor to determine that  
468     the allocation of expenses and disposition of all revenues received was accomplished in  
469     conformance with Federal Reclamation law and the associated regulations. The Contracting  
470     Officer and the Contractor shall enter into good faith negotiations to resolve any discrepancies or  
471     disputes arising out of said accounting of the Contractor's review thereof.

472                         (j)     The parties acknowledge and agree that the efficient administration of this  
473     Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,  
474     policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component,  
475     and/or for making and allocating payments, other than those set forth in this Article would be in

476 the mutual best interest of the parties, it is expressly agreed that the parties may enter into  
477 agreements to modify the mechanisms, policies and procedures for any of those purposes while  
478 this Contract is in effect without amending this Contract.

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

493                         (2)         Subject to the Contracting Officer's written approval, the  
494 Contractor may request and receive an exemption from such Tiered Pricing Component for  
495 Project Water delivered to produce a crop which the Contracting Officer determines will provide  
496 significant and quantifiable habitat values for waterfowl in fields where the water is used and the  
497 crops are produced; Provided, That the exemption from the Tiered Pricing Component for  
498 Irrigation Water shall apply only if such habitat values can be assured consistent with the

499 purposes of the CVPIA through binding agreements executed with or approved by the  
500 Contracting Officer prior to use of such water.  
  
501 (3) For purposes of determining the applicability of the Tiered Pricing  
502 Component pursuant to this Article, Water Delivered shall include Project Water that the  
503 Contractor transfers to others but shall not include Project Water transferred to the Contractor,  
504 nor shall it include the additional water provided to the Contractor under the provisions of  
505 subdivision (d) of Article 3 of this Contract.

506 **NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS**

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

510 **TRANSFERS OR EXCHANGES OF WATER**

511 9. The right to Project Water provided for in this Contract may be sold, transferred,  
512 or exchanged to others for beneficial uses within the State of California if such sale, transfer, or  
513 exchange is authorized by applicable Federal laws, State laws, and applicable guidelines or  
514 regulations then in effect. The right to sell, transfer, or exchange Project Water shall include,  
515 and the Contracting Officer shall apply this Article in a manner that does not impede or restrict,  
516 lawful short-term sales, transfers, or exchanges of the type the District and Contractor  
517 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-  
518 8018, as amended, assigned, and renewed. No sale, transfer, or exchange of the right to Project  
519 Water under this Contract may take place without the prior written approval of the Contracting  
520 Officer.

521                   APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

530                 (b) All advances for miscellaneous costs incurred for work requested by the  
531 Contractor pursuant to Article 23 of this Contract shall be adjusted to reflect the actual costs  
532 when the work has been completed. If the advances exceed the actual costs incurred, the  
533 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
534 advances, the Contractor will be billed for the additional costs pursuant to Article 23 of this  
535 Contract.

536                   TEMPORARY REDUCTIONS – RETURN FLOWS

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

541                 (b) The United States may temporarily discontinue or reduce the quantity of  
542 Project Water to be delivered to the Contractor as herein provided for the purposes of  
543 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or  
544 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as

545 feasible the Contracting Officer will give the Contractor due notice in advance of such temporary  
546 discontinuance or reduction, except in case of emergency, in which case no notice need be given:  
547 Provided, That the United States shall use its best efforts to avoid any discontinuance or  
548 reduction in such service. Upon resumption of service after such reduction or discontinuance,  
549 and if requested by the Contractor, the United States will, if possible, deliver the quantity of  
550 Project Water which would have been delivered hereunder in the absence of such discontinuance  
551 or reduction: Provided, further, That with respect to any quantity of Project Water not delivered  
552 after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment  
553 obligations for such quantity of Project Water.

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

560 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

566 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting  
567 or other similar operational errors affecting the Project; drought and other physical or natural  
568 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer  
569 to meet current and future legal obligations, then, except as provided in subdivision (a) of Article  
570 17 of this Contract, no liability shall accrue against the United States or any of its officers,  
571 agents, or employees for any damage, direct or indirect, arising therefrom.

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

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

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

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

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

595                    UNAVOIDABLE GROUNDWATER PERCOLATION

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

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

602                    COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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

608                    PROTECTION OF WATER AND AIR QUALITY

609        15. (a) Omitted

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

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

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

624        **WATER ACQUIRED BY THE CONTRACTOR OTHER THAN FROM THE UNITED**  
625        **STATES**

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

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

643        **OPINIONS AND DETERMINATIONS**

644        17.      (a)     Where the terms of this Contract provide for actions to be based upon the  
645     opinion or determination of either party to this Contract, said terms shall not be construed as  
646     permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or  
647     determinations. Both parties, notwithstanding any other provisions of this Contract, expressly

648 reserve the right to relief from and appropriate adjustment for any such arbitrary, capricious, or  
649 unreasonable opinion or determination. Each opinion or determination by either party shall be  
650 provided in a timely manner.

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

656 CHARGES FOR DELINQUENT PAYMENTS

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

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

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

674 EQUAL EMPLOYMENT OPPORTUNITY

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

676 (a) The Contractor will not discriminate against any employee or applicant for  
677 employment because of race, color, religion, sex, sexual orientation, gender identity, or national  
678 origin. The Contractor will take affirmative action to ensure that applicants are employed, and  
679 that employees are treated during employment, without regard to their race, color, religion, sex,  
680 sexual orientation, gender identity, or national origin. Such action shall include, but not be

681 limited to, the following: employment, upgrading, demotion, or transfer; recruitment or  
682 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and  
683 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous  
684 places, available to employees and applicants for employment, notices to be provided by the  
685 Contracting Officer setting forth the provisions of this nondiscrimination clause.

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

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

700 (d) The Contractor will send to each labor union or representative of workers  
701 with which it has a collective bargaining agreement or other contract or understanding, a notice,  
702 to be provided by the Contracting Officer, advising the labor union or workers' representative of  
703 the Contractor's commitments under section 202 of Executive Order No. 11246 of September  
704 24, 1965, and shall post copies of the notice in conspicuous places available to employees and  
705 applicants for employment.

706 (e) The Contractor will comply with all provisions of Executive Order No.  
707 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary  
708 of Labor.

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

714 (g) In the event of the Contractor's noncompliance with the nondiscrimination  
715 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be  
716 canceled, terminated or suspended in whole or in part and the Contractor may be declared  
717 ineligible for further Government contracts in accordance with procedures authorized in  
718 Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed  
719 and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by  
720 rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

721                         (h) The Contractor will include the provisions of paragraphs (a) through (g) in  
722 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
723 Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September  
724 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The  
725 Contractor will take such action with respect to any subcontract or purchase order as may be  
726 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions  
727 for noncompliance: *Provided, however,* that in the event the Contractor becomes involved in, or  
728 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
729 Contractor may request the United States to enter into such litigation to protect the interests of  
730 the United States.

731                         GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

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

736                         (b) The payment of charges becoming due pursuant to this Contract is a  
737 condition precedent to receiving benefits under this Contract. The United States shall not make  
738 water available to the Contractor through Project facilities during any period in which the  
739 Contractor is in arrears in the advance payment of water rates due the United States. The  
740 Contractor shall not deliver water under the terms and conditions of this Contract for lands or  
741 parties that are in arrears in the advance payment of water rates as levied or established by the  
742 Contractor.

743                         COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

744                         21. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
745 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as  
746 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title  
747 III; 42 U.S.C. 6101, et seq.), Title III of the Americans with Disabilities Act of 1990 (Pub. L.  
748 101-336; 42 U.S.C. § 12181, et seq.), and any other applicable civil rights laws, and with the  
749 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
750 Interior and/or Bureau of Reclamation.

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

758                         (c) The Contractor makes this Contract in consideration of and for the  
759 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other  
760 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of

761 Reclamation, including installment payments after such date on account of arrangements for  
762 Federal financial assistance which were approved before such date. The Contractor recognizes  
763 and agrees that such Federal assistance will be extended in reliance on the representations and  
764 agreements made in this Article and that the United States reserves the right to seek judicial  
765 enforcement thereof.

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

768 PRIVACY ACT COMPLIANCE

769 22. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)  
770 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act  
771 (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting records required  
772 to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the  
773 Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to 43  
774 C.F.R. § 426.18.

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

780 (c) The Contracting Officer or a designated representative shall provide the  
781 Contractor with current copies of the Department of the Interior Privacy Act regulations and the  
782 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-  
783 31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of  
784 information contained in the Landholders' certification and reporting records.

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

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

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

798                   CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

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

807                   WATER CONSERVATION

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

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

818                 (b) Should the amount of M&I Water delivered pursuant to subdivision (a)  
819 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall  
820 implement the Best Management Practices identified by and the time frames issued by the  
821 Contracting Officers then-existing conservation and efficiency criteria for such M&I Water

822 unless any such practice is determined by the Contracting Officer to be inappropriate for the  
823 Contractor.

824 (c) Omitted

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

828 (e) At five (5)-year intervals, the Contractor shall revise its water  
829 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating  
830 water conservation plans established under Federal law and submit such revised water  
831 management plan to the Contracting Officer for review and evaluation. The Contracting Officer  
832 will then determine if the water conservation plan meets the Bureau of Reclamation's then-  
833 existing conservation and efficiency criteria for evaluating water conservation plans established  
834 under Federal law.

835 (f) Omitted

EXISTING OR ACQUIRED WATER OR WATER RIGHTS

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

OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

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

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

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

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

876 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

882 BOOKS, RECORDS, AND REPORTS

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

893 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

## SEVERABILITY

30. In the event that a person or entity who is neither (i) a party to a Project Contract,  
nor (ii) a person or entity that receives Project Water from a party to a Project Contract, nor (iii)  
an association or other form of organization whose primary function is to represent parties to  
Project Contracts, brings an action in a court of competent jurisdiction challenging the legality or  
enforceability of a provision included in this Contract and said person, entity, association, or  
organization obtains a final court decision holding that such provision is legally invalid or  
unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s),  
the parties to this Contract shall use their best efforts to (i) within thirty (30) days of the date of  
such final court decision identify by mutual agreement the provisions in this Contract which  
must be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate  
revision(s). The time periods specified above may be extended by mutual agreement of the  
parties. Pending the completion of the actions designated above, to the extent it can do so  
without violating any applicable provisions of law, the United States shall continue to make the  
quantities of Project Water specified in this Contract available to the Contractor pursuant to the  
provisions of this Contract which were not found to be legally invalid or unenforceable in the  
final court decision.

## OFFICIALS NOT TO BENEFIT

918       31. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
919      the Contractor shall benefit from this Contract other than as a water user or landowner in the  
920      same manner as other water users or landowners.

921                   CHANGES IN CONTRACTOR'S ORGANIZATION AND/OR SERVICE AREA

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

927                   RECLAMATION REFORM ACT OF 1982

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

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

935                   CERTIFICATION OF NONSEGREGATED FACILITIES

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

956            **NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR**  
957            **CERTIFICATIONS OF NONSEGREGATED FACILITIES**

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

963            **MEDIUM FOR TRANSMITTING PAYMENT**

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

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

972            **NOTICES**

973        36. Any notice, demand, or request authorized or required by this Contract shall be  
974        deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or  
975        delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,  
976        California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,  
977        postage prepaid, or delivered to the Board of Directors of the Westlands Water District  
978        Distribution District No. 1, P.O. Box 6056, Fresno, California 93703-6056. The designation of  
979        the addressee or the address may be changed by notice given in the same manner as provided in  
980        this Article for other notices.

981            **CONTRACT DRAFTING CONSIDERATIONS**

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

987            **CONFIRMATION OF CONTRACT**

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

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

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

  
Digitally signed by BRIAN  
HUGHES  
Date: 2020.05.26 15:46:56  
-07'00'

UNITED STATES OF AMERICA

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

TIME STAMP: 1:37 pm, May 11 2020

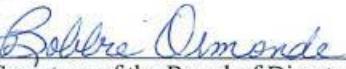
996  
997  
998  
999

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

1000           WESTLANDS WATER DISTRICT DISTRIBUTION  
1001           DISTRICT NO. 1

1003           By:   
President of the Board of Directors

1005           Attest:

1006           By:   
Secretary of the Board of Directors

**EXHIBIT A**  
**WESTLANDS WATER DISTRICT**  
**(ASSIGNMENT FROM WIDREN WATER DISTRICT)**  
**2020 Rates and Charges**  
**(Per Acre-Foot)**

	Irrigation	M&I <sup>1</sup>
	Water	Water
	SLC	SLC
<b>COST-OF-SERVICE (COS) RATE</b>		
Construction Costs	\$0.00	\$0.00
DMC Aqueduct Intertie	\$0.00	
O&M Components		
Water Marketing	\$8.97	\$6.12
Storage	\$18.01	\$14.99
Credit for other PUE Remittance <sup>2</sup>	(\$2.28)	(\$1.99)
Direct Pumping		
American Recovery and Reinvestment Act (ARRA)	\$0.00	\$0.00
<b>TOTAL COS RATE</b>	<b>\$24.70</b>	<b>\$19.12</b>
<b>Project Use Energy Payment <sup>3</sup></b>		
Direct Pumping	\$11.35	\$10.46
Other PUE Remittance	\$2.28	\$1.99
<b>IRRIGATION FULL-COST RATE *</b>		
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	
<b>M&amp;I FULL COST RATE</b>		
<b>TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)</b>		
<b>IRRIGATION *</b>		
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	
<b>M&amp;I</b>		
Tier 2 Rate: >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 (Amount to be Added to Tier 1 Rate)		\$0.00
Tier 3 Rate: >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] (Amount to Be Added to Tier 1 Rate)		\$0.00
<b>CHARGES AND ASSESSMENTS (Payments in addition to Rates)</b>		
P.L. 102-575 Surcharge (Restoration Fund Payment) [Section 3407(d)(2)(A)]	\$10.91	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) [Appendix B, Section 203]	\$0.12	\$0.12

**EXPLANATORY NOTES**

1 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 few.

2 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.

3 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.

\*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/cvpwaterrates/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

# Exhibit

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

Unpaid Construction Cost from the 2020 Water Rate Books*		
<b>Contractor:</b>	<b>Westlands Water District DD #1</b>	
<b>Facility:</b>	<b>San Luis Canal (Delta-Mendota Pool and DD#2 provided separate)</b>	
<b>Contract:</b>	<b>Exhibits vary by Contract as either C or D and are identified below for this combined Exhibit</b>	
	<b>Exhibit D: 14-06-200-0495A-IR1-P</b>	<b>Exhibit C: 14-06-200-8092-IR5-P,</b>
	<b>Exhibit C: 7-07-20-W0055B-IR5-P</b>	<b>Exhibit C: 14-06-200-8018B-IR5-P</b>
<b>Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)</b>		
	<b>Unpaid Cost</b>	<b>Discount</b>
Construction Cost (Excludes Intertie):	\$ 249,446,036	
2019 Repayment (Estimate) **	\$ 49,813,728	
Adjusted Construction Cost (Excludes Intertie):	<u>\$ 199,632,308</u>	\$ 192,478,622
Intertie Construction Cost:	\$ 17,953,803	\$ 15,703,711
Total	\$ 217,586,111	\$ 208,182,333
If Paid in Installments (Used 20 yr CMT)		
	Due****	
Payment 1 6/1/2020	\$ 52,841,692	
Payment 2 6/2/2021	\$ 52,841,692	
Payment 3 6/2/2022	\$ 52,841,692	
Payment 4 6/2/2023	\$ 52,841,692	
Total Installment Payments	\$ 211,366,768	
20 yr CMT Rates - 06/01/2020		1.220%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		0.610%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)	
Unpaid Cost	
Construction Cost:	\$ 286,220
2019 Repayment (Estimate) **	\$ 21,307
Adjusted Construction Cost***:	\$ 264,913

**Calculation Support:** Irrigation Lump Sum or First Payment\*\*\*\* 6/1/2020  
Days Until the End of the Fiscal Year 121

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total	
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values	
2020	\$ 199,632,308	\$ 18,148,392	\$ 18,002,127	\$ 17,953,803	\$ 408,041	\$ 404,752	\$ 18,406,880	
2021	\$ 181,483,917	\$ 18,148,392	\$ 17,928,991	\$ 17,545,762	\$ 408,041	\$ 403,108	\$ 18,332,099	
2022	\$ 163,335,525	\$ 18,148,392	\$ 17,820,287	\$ 17,137,721	\$ 408,041	\$ 400,664	\$ 18,220,951	
2023	\$ 145,187,133	\$ 18,148,392	\$ 17,712,242	\$ 16,729,680	\$ 408,041	\$ 398,235	\$ 18,110,477	
2024	\$ 127,038,742	\$ 18,148,392	\$ 17,604,853	\$ 16,321,639	\$ 408,041	\$ 395,820	\$ 18,000,673	
2025	\$ 108,890,350	\$ 18,148,392	\$ 17,498,114	\$ 15,913,598	\$ 408,041	\$ 393,420	\$ 17,891,535	
2026	\$ 90,741,958	\$ 18,148,392	\$ 17,392,023	\$ 15,505,557	\$ 408,041	\$ 391,035	\$ 17,783,058	
2027	\$ 72,593,567	\$ 18,148,392	\$ 17,286,575	\$ 15,097,516	\$ 408,041	\$ 388,664	\$ 17,675,239	
2028	\$ 54,445,175	\$ 18,148,392	\$ 17,181,766	\$ 14,689,475	\$ 408,041	\$ 386,308	\$ 17,568,074	
2029	\$ 36,296,783	\$ 18,148,392	\$ 17,077,593	\$ 14,281,434	\$ 408,041	\$ 383,966	\$ 17,461,558	
2030	\$ 18,148,392	\$ 18,148,392	\$ 16,974,051	\$ 13,873,393	\$ 408,041	\$ 381,638	\$ 17,355,689	
2031-63				\$ 13,465,352	\$ 13,465,352	\$ 11,376,101	\$ 11,376,101	
Total, Lump Sum Payment			<u>\$ 192,478,622</u>			<u>\$ 15,703,711</u>	<u>\$ 208,182,333</u>	

Amount of Reduction, Lump Sum \$ 7,153,686 \$ 2,250,091 \$ 9,403,777

\* Costs are assumed to be paid and all charges are assumed to be accurate. If at a later date charges are determined to need update, they are still required. Also, unpaid charges are still a requirement under contract.

\*\* 2019 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.

\*\*\* Excludes Interest to payment date as Interest will be computed as an annual expense as usual.

\*\*\*\*Contractor has 60 days from the effective date of the contract or installment dates to make payment.