

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

CONTRACT BETWEEN THE UNITED STATES
AND
CITY OF COALINGA
PROVIDING FOR PROJECT WATER SERVICE
SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT

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1 THIS CONTRACT, made this 22 day of JANUARY, 20 21, in
2 pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof or
3 supplementary thereto, including but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
4 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
5 July 2, 1956 (70 Stat. 483), June 3 1960 (74 Stat. 156), June 21, 1963 (77 Stat. 68), October 12,
6 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of
7 October 30, 1992 (106 Stat. 4706), as amended, and the Water Infrastructure Improvements for
8 the Nation Act (Public Law (Pub. L.) 114-322, 130 Stat. 1628), Section 4011 (a-d) and (f)
9 ("WIIN Act"), all collectively hereinafter referred to as Federal Reclamation law, between the
10 UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by
11 the officer executing this Contract, hereinafter referred to as the Contracting Officer, and CITY
12 OF COALINGA, hereinafter referred to as the Contractor, a public agency of the State of
13 California, duly organized, existing, and acting pursuant to the laws thereof;

14 WITNESSETH, That:

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EXPLANATORY RECITALS

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

[2nd] WHEREAS, the United States constructed the Delta Division Facilities, including the San Luis Unit facilities (which include the San Luis Canal, the Coalinga Canal, the Pleasant Valley Pumping Plant, and the Dos Amigos Pumping Plant), which will be used in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

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

[4th] WHEREAS, the United States and the Contractor entered into Contract No. 14-06-200-4173A, as amended, which provided the Contractor, Project Water from the Project facilities from October 28, 1968, to December 31, 2008; and

[5th] WHEREAS, the United States and the Contractor have pursuant to Subsection 3404(c)(3) of the Central Valley Project Improvement Act (CVPIA), subsequently entered into binding agreements identified as Binding Agreement No. 14-06-200-4173A-BA, which sets out the terms pursuant to which the Contractor agreed to renew its contract before the expiration date after completion of the Programmatic Environmental Impact Statement (PEIS)

36 and other appropriate environmental documentation and negotiation of a renewal contract; and
37 which also sets out the consequences of a subsequent decision not to renew; and

38 [6th] WHEREAS, the United States and the Contractor entered into Delta
39 Division and San Luis Unit Contract Number 14-06-200-4173A-IR1 and subsequent Interim
40 Renewal Contracts 14-06-200-4173A-IR2 through 14-06-200-4173A-IR6, the last of which is
41 hereinafter referred to as the “Existing Contract”, which established terms for the delivery of
42 Project Water to the Contractor from the Delta Division and San Luis Unit, and which was in
43 effect the date the WIIN Act was enacted; and

44 [7th] WHEREAS, on December 16, 2016, the 114th Congress of the United
45 States of America enacted the WIIN Act; and

46 [8th] WHEREAS, Section 4011(a)(1) provides that “upon request of the
47 contractor, the Secretary of the Interior shall convert any water service contract in effect on the
48 date of enactment of this subtitle and between the United States and a water users’ association
49 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
50 mutually agreeable terms and conditions.”; and

51 [9th] WHEREAS, Section 4011(a)(1) further provides that “the manner of
52 conversion under this paragraph shall be as follows: (A) Water service contracts that were
53 entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under
54 this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat.
55 1195)”; and “(B) Water service contracts that were entered under subsection (c)(2) of section 9
56 of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be
57 converted to a contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195).”; and

58 [10th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered
59 into pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service,
60 repayment, exchange and transfer contractual rights between the water users’ association
61 [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the
62 water users’ association [Contractor] and their landowners as provided under State law.”; and

63 [11th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
64 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water
65 service or repayment contractor to receive water; or (4) except as expressly provided in this
66 section, any obligations under the Federal Reclamation law, including the continuation of
67 Restoration Fund charges pursuant to section 3407(d) (Pub. L. 102-575), of the water service and
68 repayment contractors making prepayments pursuant to this section.”; and

69 [12th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
70 Secretary to convert irrigation water service contracts and municipal and industrial (M&I) water
71 service contracts into repayment contracts, amend existing repayment contracts, and allow
72 contractors to prepay their construction cost obligations pursuant to applicable Federal
73 Reclamation law; and

74 [13th] WHEREAS, the United States has determined that the Contractor has
75 fulfilled all of its obligations under the Existing Contract; and

76 [14th] WHEREAS, the Contractor has demonstrated to the satisfaction of the
77 Contracting Officer that the Contractor has utilized the Project Water supplies available to it for
78 reasonable and beneficial use and expects to utilize fully for reasonable and beneficial use the
79 quantity of Project Water to be made available to it pursuant to this Contract; and

80 [15th] WHEREAS, water obtained from the Project has been relied upon by
81 urban and agricultural areas within California for more than 50 years, and is considered by the
82 Contractor as an essential portion of its water supply; and

83 [16th] WHEREAS, at the time of execution of this Contract, the United States is
84 the sole source of water supply to the Contractor]; and

85 [17th] WHEREAS, the economies of regions within the Project, including the
86 Contractor's, depend upon the continued availability of water, including water service from the
87 Project; and

88 [18th] WHEREAS, the Secretary intends through coordination, cooperation, and
89 partnerships to pursue measures to improve water supply, water quality, and reliability of the
90 Project for all Project purposes; and

91 [19th] WHEREAS, the mutual goals of the United States and the Contractor
92 include: to provide for reliable Project Water supplies; to control costs of those supplies; to
93 achieve repayment of the Project as required by law; to guard reasonably against Project Water
94 shortages; to achieve a reasonable balance among competing demands for use of Project Water;
95 and to comply with all applicable environmental statutes, all consistent with the legal obligations
96 of the United States relative to the Project; and

97 [20th] WHEREAS, the parties intend by this Contract to maintain a cooperative
98 relationship in order to achieve their mutual goals; and

99 [21st] WHEREAS, in the CALFED Programmatic Record of Decision, dated
100 August 28, 2000, the United States and the State of California adopted a general target of
101 continuously improving Delta water quality for all uses. The CALFED Agencies' target for

102 providing safe, reliable, and affordable drinking water in a cost-effective way, is to achieve
103 either: (a) average concentrations at Clifton Forebay and other southern and central Delta
104 drinking water intakes of 50 ug/L bromide and 3.0 mg/L total organic carbon, or (b) an
105 equivalent level of public health protection using a cost-effective combination of alternative
106 source waters, source control and treatment technologies; and

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

111 [23rd] WHEREAS, the parties desire and intend that this Contract not provide a
112 disincentive to the Contractor in continuing to carry out the beneficial activities set out in the
113 Explanatory Recital immediately above; and

114 [24th] WHEREAS, the Contracting Officer and the Contractor agree that this
115 Contract complies with Section 4011 of the WIIN Act; and

116 [25th] WHEREAS, the Contracting Officer and the Contractor agree to amend
117 and convert the Existing Contract pursuant to Section 4011 of the WIIN Act and other Federal
118 Reclamation law on the terms and conditions set forth below;

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

121 DEFINITIONS

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

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

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

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

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

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

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

142 (g) "Contractor's Service Area" shall mean the area to which the Contractor is
143 permitted to provide Project Water under this Contract as described in Exhibit "A" attached
144 hereto, which may be modified from time to time in accordance with Article 31 of this Contract
145 without amendment of this Contract;

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

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

153 (j) Omitted

154 (k) Omitted

155 (l) "Existing Capital Obligation" shall mean the remaining amount of
156 construction costs or other capitalized costs allocable to the Contractor as described in Section
157 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
158 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
159 in the Final 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The
160 Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in
161 Exhibit "C", which is incorporated herein by reference;

162 (m) "Full Cost Rate" shall mean an annual rate, as determined by the
163 Contracting Officer that shall amortize the expenditures for construction properly allocable to the
164 Project irrigation or M&I functions, as appropriate, of facilities in service including all O&M
165 deficits funded, less payments, over such periods as may be required under Federal Reclamation
166 law, or applicable contract provisions. Interest will accrue on both the construction expenditures
167 and funded O&M deficits from October 12, 1982, on costs outstanding at that date, or from the

168 date incurred in the case of costs arising subsequent to October 12 1982, and shall be calculated
169 in accordance with subsections 202(3)(B) and (3)(C) of the Reclamation Reform Act of 1982.

170 The Full Cost Rate includes actual operation, maintenance, and replacement costs consistent with
171 Section 426.2 of the Rules and Regulations for the Reclamation Reform Act of 1982;

172 (n) Omitted

173 (o) Omitted

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

177 (q) Omitted

178 (r) "Municipal and Industrial (M&I) Water" shall mean the use of Project
179 Water for municipal, industrial, and miscellaneous other purposes not falling under the definition
180 of "Irrigation Water" or within another category of water use under an applicable Federal
181 authority;

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

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

187 (u) "Operating Non-Federal Entity" shall mean the entity(ies), its (their)
188 successors or assigns, which has (have) the obligation to operate and maintain all or a portion of
189 the Delta Division Facilities pursuant to written agreement(s) with the United States. When this
190 Contract was entered into, the Operating Non-Federal Entities were the San Luis & Delta-
191 Mendota Water Authority and, with respect to San Luis Unit facilities, the California Department

192 of Water Resources, and Westlands Water District;

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

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

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

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

204 (z) Omitted

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

210 (bb) "Secretary" shall mean the Secretary of the Interior, a duly appointed
211 successor, or an authorized representative acting pursuant to any authority of the Secretary and
212 through any agency of the Department of the Interior;

213 (cc) "Tiered Pricing Component" shall be the incremental amount to be paid
214 for each acre-foot of Water Delivered as described in Article 7 of this Contract and as provided
215 for in Exhibit "B";

216 (dd) "Water Delivered" or "Delivered Water" shall mean Project Water
217 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting
218 Officer;

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

222 (ff) "Water Scheduled" shall mean Project Water made available to the
223 Contractor for which times and quantities for delivery have been established by the Contractor
224 and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract; and

225 (gg) "Year" shall mean the period from and including March 1 of each
226 Calendar Year through the last day of February of the following Calendar Year.

227 TERM OF CONTRACT – RIGHT TO USE OF WATER

228 2. (a) This Contract shall be effective February 1, 2021, hereinafter known as
229 the "Effective Date", and shall continue so long as the Contractor pays applicable Rates and
230 Charges under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939
231 (53 Stat. 1195) as applicable, and applicable law;

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

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

238 (2) Provided, further, That the Contracting Officer shall not seek to
239 suspend making water available or declaring Water Made Available pursuant to this Contract for
240 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the
241 Contracting Officer has first provided at least thirty (30) calendar days written notice to the
242 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence
243 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully
244 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has
245 suspended making water available pursuant to this paragraph, upon cure of such non-compliance
246 satisfactory to the to the Contracting Officer, the Contracting Officer shall resume making water
247 available and declaring Water Made Available pursuant to this Contract;

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

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

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

257 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

258 3. (a) During each Year, consistent with all applicable State water rights permits,
259 and licenses, Federal law, and subject to the provisions set forth in Articles 10 and 11 of this
260 Contract, the Contracting Officer shall make available for delivery to the Contractor 10,000 acre-
261 feet of Project Water for M&I purposes. Water Delivered to the Contractor in accordance with
262 this subdivision shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of
263 this Contract.

264 (b) Because the capacity of the Project to deliver Project Water has been
265 constrained in recent years and may be constrained in the future due to many factors including
266 hydrologic conditions and implementation of Federal and State laws, the likelihood of the
267 Contractor actually receiving the amount of Project Water set out in subdivision (a) of this
268 Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the
269 PEIS projected that the Contract Total set forth in this Contract will not be available to the
270 Contractor in many years. Nothing in this subdivision (b) of this Article shall affect the rights
271 and obligations of the parties under any provision of this Contract.

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

274 (d) The Contractor shall make reasonable and beneficial use of all water
275 furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu),
276 groundwater banking programs, surface water storage programs, and other similar programs
277 utilizing Project Water or other water furnished pursuant to this Contract conducted within the
278 Contractor's Service Area which are consistent with applicable State law and result in use

279 consistent with Federal Reclamation law will be allowed; Provided, That any direct recharge
280 program(s) is (are) described in the Contractor's water conservation plan submitted pursuant to
281 Article 22 of this Contract; Provided, further, That such water conservation plan demonstrates
282 sufficient lawful uses exist in the Contractor's Service Area so that using a long-term average,
283 the quantity of Delivered Water is demonstrated to be reasonable for such uses and in
284 compliance with Federal Reclamation law. Groundwater recharge programs, groundwater
285 banking programs, surface water storage programs, and other similar programs utilizing Project
286 Water or other water furnished pursuant to this Contract conducted outside the Contractor's
287 Service Area may be permitted upon written approval of the Contracting Officer, which approval
288 will be based upon environmental documentation, Project Water rights, and Project operational
289 concerns. The Contracting Officer will address such concerns in regulations, policies, or
290 guidelines.

291 (e) The Contractor shall comply with requirements applicable to the
292 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
293 of any water service contract between the Contracting Officer and the Contractor in effect
294 immediately prior to the Effective Date undertaken pursuant to Section 7 of the Endangered
295 Species Act of 1973 (ESA), as amended, that are within the Contractor's legal authority to
296 implement. The Existing Contract, which evidences in excess of 40 years of diversions for
297 irrigation and/or M&I purposes of the quantities of Project Water provided in subdivision (a) of
298 Article 3 of this Contract, will be considered in developing an appropriate baseline for any
299 required biological assessment(s) prepared pursuant to the ESA, and any other needed
300 environmental review. Nothing herein shall be construed to prevent the Contractor from

301 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any
302 biological opinion or other environmental documentation referred to in this Article.

303 (f) Following the declaration of Water Made Available under Article 4 of this
304 Contract, the Contracting Officer will make a determination whether Project Water, or other
305 water available to the Project, can be made available to the Contractor in addition to the Contract
306 Total under this Article during the Year without adversely impacting other Project Contractors.
307 At the request of the Contractor, the Contracting Officer will consult with the Contractor prior to
308 making such a determination. If the Contracting Officer determines that Project Water, or other
309 water available to the Project, can be made available to the Contractor, the Contracting Officer
310 will announce the availability of such water and shall so notify the Contractor as soon as
311 practical. The Contracting Officer will thereafter meet with the Contractor and other Project
312 Contractors capable of taking such water to determine the most equitable and efficient allocation
313 of such water. If the Contractor requests the delivery of any quantity of such water, the
314 Contracting Officer shall make such water available to the Contractor in accordance with
315 applicable statutes, regulations, guidelines, and policies. Subject to existing long-term
316 contractual commitments, water rights and operational constraints, long-term Project Contractors
317 shall have a first right to acquire such water, including Project Water made available pursuant to
318 Section 215 of the Reclamation Reform Act of 1982.

319 (g) The Contractor may request permission to reschedule for use during the
320 subsequent Year some or all of the Water Made Available to the Contractor during the current
321 Year, referred to as “rescheduled water.” The Contractor may request permission to use during
322 the current Year a quantity of Project Water which may be made available by the United States

323 to the Contractor during the subsequent Year referred to as “preuse.” The Contracting Officer's
324 written approval may permit such uses in accordance with applicable statutes, regulations,
325 guidelines, and policies.

326 (h) The Contractor’s right pursuant to Federal Reclamation law and applicable
327 State law to the reasonable and beneficial use of the Water Delivered pursuant to this Contract
328 shall not be disturbed, and this Contract shall continue so long as the Contractor pays applicable
329 Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of
330 August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding
331 sentence shall affect the Contracting Officer’s ability to impose shortages under Article 10 or
332 subdivision (b) of Article 11 of this Contract.

333 (i) Project Water furnished to the Contractor pursuant to this Contract may be
334 delivered for purposes other than those described in subdivision (r) of Article 1 of this Contract
335 upon written approval by the Contracting Officer in accordance with the terms and conditions of
336 such approval.

337 (j) The Contracting Officer shall make reasonable efforts to protect the water
338 rights necessary for the Project and to provide the water available under this Contract. The
339 Contracting Officer shall not object to participation by the Contractor, in the capacity and to the
340 extent permitted by law, in administrative proceedings related to the Project Water rights;
341 Provided, That the Contracting Officer retains the right to object to the substance of the
342 Contractor's position in such a proceeding; Provided, further, That in such proceedings the
343 Contracting Officer shall recognize the Contractor has a legal right under the terms of this
344 Contract to use Project Water.

345 TIME FOR DELIVERY OF WATER

346 4. (a) On or about February 20 each Calendar Year, the Contracting Officer shall
347 announce the Contracting Officer's expected declaration of the Water Made Available. Such
348 declaration will be expressed in terms of Water Made Available and will be updated monthly,
349 and more frequently if necessary, based on the then-current operational and hydrologic
350 conditions and a new declaration with changes, if any, to the Water Made Available will be
351 made. The Contracting Officer shall provide forecasts of Project operations and the basis of the
352 estimate, with relevant supporting information, upon the written request of the Contractor.

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

359 (c) The Contractor shall not schedule Project Water in excess of the quantity
360 of Project Water the Contractor intends to put to reasonable and beneficial use within the
361 Contractor's Service Area or to sell, transfer, or exchange pursuant to Article 8 of this Contract
362 during any Year.

363 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this
364 Contract, the United States shall deliver Project Water to the Contractor in accordance with the
365 initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any
366 written revision(s) thereto satisfactory to the Contracting Officer, submitted within a reasonable

367 time prior to the date(s) on which the requested change(s) is/are to be implemented.

368 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

369 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this
370 Contract shall be delivered to the Contractor at Project facilities and any additional point or
371 points of delivery either on Project facilities or another location or locations mutually agreed to
372 in writing by the Contracting Officer and the Contractor.

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

378 (c) The Contractor shall not deliver Project Water to land outside the
379 Contractor's Service Area unless approved in advance by the Contracting Officer.

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

389 Contracting Officer shall consult with the Contractor and the appropriate Operating Non-Federal
390 Entity(ies), if any, prior to making a final determination of the quantity delivered for that period
391 of time.

392 (e) Absent a separate contrary written agreement with the Contractor, neither
393 the Contracting Officer nor any Operating Non-Federal Entity(ies) shall be responsible for the
394 control, carriage, handling, use, disposal, or distribution of Water Delivered to the Contractor
395 pursuant to this Contract beyond the point or points of delivery established pursuant to
396 subdivision (a) of this Article. The Contractor shall indemnify the United States, its officers,
397 employees, agents, and assigns on account of damage or claim of damage of any nature
398 whatsoever for which there is legal responsibility, including property damage, personal injury, or
399 death arising out of or connected with the control, carriage, handling, use, disposal, or
400 distribution of such Water Delivered beyond such point or points of delivery except for any
401 damage or claim arising out of: (i) acts or omissions of the Contracting Officer or any of its
402 officers, employees, agents, and assigns, including any responsible Operating Non-Federal
403 Entity(ies) with the intent of creating the situation resulting in any damage or claim; (ii) willful
404 misconduct of the Contracting Officer or any of its officers, employees, agents, and assigns,
405 including any responsible Operating Non-Federal Entity(ies); (iii) negligence of the Contracting
406 Officer or any of its officers, employees, agents, and assigns, including the Operating Non-
407 Federal Entity(ies); (iv) damage or claims resulting from a malfunction of facilities owned and/or
408 operated by the United States or responsible Operating Non-Federal Entity(ies).

409 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

410 6. (a) The Contractor has established a measuring program satisfactory to the
411 Contracting Officer. The Contractor shall ensure that, unless the Contractor establishes an
412 alternative measurement program satisfactory to the Contracting Officer, all surface water
413 delivered for M&I purposes is measured at each M&I service connection. The water measuring
414 devices or water measuring methods of comparable effectiveness must be acceptable to the
415 Contracting Officer. The Contractor shall be responsible for installing, operating, maintaining,
416 and repairing all such measuring devices and implementing all such water measuring methods at
417 no cost to the United States. The Contractor shall use the information obtained from such water
418 measuring devices or water measuring methods to ensure its proper management of the water; to
419 bill water users for water delivered by the Contractor; and, if applicable, to record water
420 delivered for M&I purposes by customer class as defined in the Contractor's water conservation
421 plan provided for in Article 22 of this Contract. Nothing herein contained, however, shall
422 preclude the Contractor from establishing and collecting any charges, assessments, or other
423 revenues authorized by California law. The Contractor shall include a summary of all its annual
424 surface water deliveries in the annual report described in subdivision (c) of Article 22 of this
425 Contract.

426 (b) To the extent the information has not otherwise been provided, upon
427 execution of this Contract, the Contractor shall provide to the Contracting Officer a written
428 report describing the measurement devices or water measuring methods being used or to be used
429 to implement subdivision (a) of this Article and identifying M&I service connections or
430 alternative measurement programs approved by the Contracting Officer, at which such

431 measurement devices or water measuring methods are being used, and, if applicable, identifying
432 the locations at which such devices and/or methods are not yet being used including a time
433 schedule for implementation at such locations. The Contracting Officer shall advise the
434 Contractor in writing within 60 days as to the adequacy and necessary modifications, if any, of
435 the measuring devices or water measuring methods identified in the Contractor's report and if the
436 Contracting Officer does not respond in such time, they shall be deemed adequate. If the
437 Contracting Officer notifies the Contractor that the measuring devices or methods are
438 inadequate, the parties shall within 60 days following the Contracting Officer's response,
439 negotiate in good faith the earliest practicable date by which the Contractor shall modify said
440 measuring devices and/or measuring methods as required by the Contracting Officer to ensure
441 compliance with subdivision (a) of this Article.

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

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

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

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

453 7. (a) Notwithstanding the Contractor's full prepayment of the Repayment
454 Obligation pursuant to Section 4011, subsection (a)(2)(A) and subsection (a)(3)(A) of the WIIN
455 Act, as set forth in Exhibit "C", and any payments required pursuant to Section 4011, subsection
456 (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described in this
457 Article, subsection (b), the Contractor's Project construction and other obligations shall be
458 determined in accordance with: (i) the Secretary's then-existing ratesetting policy for M&I
459 Water, consistent with the WIIN Act; and such ratesetting policies shall be amended, modified,
460 or superseded only through a public notice and comment procedure; (ii) applicable Federal
461 Reclamation law and associated rules and regulations, or policies, and (iii) other applicable
462 provisions of this Contract. Payments shall be made by cash transaction, electronic funds
463 transfers, or any other mechanism as may be agreed to in writing by the Contractor and the
464 Contracting Officer. The Rates, Charges, and Tiered Pricing Component applicable to the
465 Contractor upon execution of this Contract are set forth in Exhibit "B", as may be revised
466 annually.

467 (1) The Contractor shall pay the United States as provided for in this
468 Article of this Contract for all Delivered Water at Rates, Charges, and Tiered Pricing Component
469 in accordance with policies for M&I Water. The Contractor's Rates shall be established to
470 recover its estimated reimbursable costs included in the operation and maintenance component of
471 the Rate and amounts established to recover deficits and other charges, if any, including
472 construction costs as identified in the following subdivisions.

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

475 (A) The amount due and payable to the United States, pursuant
476 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been
477 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth
478 as a lump sum payment for M&I as set forth in Exhibit "C". The Repayment Obligation is due
479 in lump sum by April 1, 2021 as provided by the WIIN Act. Notwithstanding any Additional
480 Capital Obligation that may later be established, receipt of the Contractor's payment of the
481 Repayment Obligation to the United States shall fully and permanently satisfy the Existing
482 Capital Obligation.

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

495 (1) If the collective Additional Capital Obligation
496 properly assignable to the contractors exercising conversion under Section 4011 of the WIIN Act
497 is less than five million dollars (\$5,000,000), then the portion of such costs properly assignable
498 to the Contractor shall be repaid not more than five (5)-years after the Contracting Officer
499 notifies the Contractor of the Additional Capital Obligation; Provided, That the reference to the
500 amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

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

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

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

519 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall
520 provide the Contractor an estimate of the Charges for Project Water that will be applied to the
521 period October 1, of the current Calendar Year, through September 30, of the following Calendar
522 Year, and the basis for such estimate. The Contractor shall be allowed not less than two months
523 to review and comment on such estimates. On or before September 15 of each Calendar Year,
524 the Contracting Officer shall notify the Contractor in writing of the Charges to be in effect during
525 the period October 1 of the current Calendar Year, through September 30, of the following
526 Calendar Year, and such notification shall revise Exhibit "B".

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

534 (d) At the time the Contractor submits the initial schedule for the delivery of
535 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
536 Contractor shall make an advance payment to the United States equal to the total amount payable
537 pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the Project Water
538 scheduled to be delivered pursuant to this Contract during the first two calendar months of the

539 Year. Before the end of the first month and before the end of each calendar month thereafter, the
540 Contractor shall make an advance payment to the United States, at the Rate(s) set under
541 subdivision (a) of this Article, for the Water Scheduled to be delivered pursuant to this Contract
542 during the second month immediately following. Adjustments between advance payments for
543 Water Scheduled and payments at Rates due for Water Delivered shall be made before the end of
544 the following month; Provided, That any revised schedule submitted by the Contractor pursuant
545 to Article 4 of this Contract which increases the amount of Water Delivered pursuant to this
546 Contract during any month shall be accompanied with appropriate advance payment, at the Rates
547 then in effect, to assure that Project Water is not delivered to the Contractor in advance of such
548 payment. In any month in which the quantity of Water Delivered to the Contractor pursuant to
549 this Contract equals the quantity of Water Scheduled and paid for by the Contractor, no
550 additional Project Water shall be delivered to the Contractor unless and until an advance
551 payment at the Rates then in effect for such additional Project Water is made. Final adjustment
552 between the advance payments for the Water Scheduled and payments for the quantities of Water
553 Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no
554 later than April 30th of the following Year, or 60 days after the delivery of Project Water
555 rescheduled under subdivision (g) of Article 3 of this Contract if such water is not delivered by
556 the last day of February.

557 (e) The Contractor shall also make a payment in addition to the Rate(s) in
558 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the
559 appropriated Tiered Pricing Component then in effect, before the end of the month of delivery.
560 The payments shall be consistent with the quantities of M&I Water Delivered as shown in the

561 water delivery report for the subject month prepared by the Operating Non-Federal Entity(ies) or,
562 if there is no Operating Non-Federal Entity(ies), by the Contracting Officer. The water delivery
563 report shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing
564 Component for Water Delivered. Adjustment for overpayment or underpayment of Charges
565 shall be made through the adjustment of payments due to the United States for Charges for the
566 next month. Any amount to be paid for past due payment of Charges and Tiered Pricing
567 Component shall be computed pursuant to Article 17 of this Contract.

568 (f) The Contractor shall pay for any Water Delivered under subdivision (a),
569 (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to
570 applicable statutes, associated regulations, any applicable provisions of guidelines or ratesetting
571 policies; Provided, That the Rate for Water Delivered under subdivision (f) of Article 3 of this
572 Contract shall be no more than the otherwise applicable Rate for M&I Water under subdivision
573 (a) of this Article.

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

576 (h) All revenues received by the United States from the Contractor relating to
577 the delivery of Project Water or the delivery of non-Project water through Project facilities shall
578 be allocated and applied in accordance with Federal Reclamation law and the associated rules or
579 regulations, and the then-current Project ratesetting policies for M&I Water.

580 (i) The Contracting Officer shall keep its accounts pertaining to the
581 administration of the financial terms and conditions of its long-term contracts, in accordance
582 with applicable Federal standards, so as to reflect the application of Project costs and revenues.

583 The Contracting Officer shall, each Year upon request of the Contractor, provide to the
584 Contractor a detailed accounting of all Project and Contractor expense allocations, the
585 disposition of all Project and Contractor revenues, and a summary of all water delivery
586 information. The Contracting Officer and the Contractor shall enter into good faith negotiations
587 to resolve any discrepancies or disputes relating to accountings, reports, or information.

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

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

605 Water Rate.

606 (2) Omitted.

607 (3) For purposes of determining the applicability of the Tiered Pricing

608 Component pursuant to this Article, Water Delivered shall include Project Water that the

609 Contractor transfers to others but shall not include Project Water transferred to the Contractor,

610 nor shall it include the additional water provided to the Contractor under the provisions of

611 subdivision (f) of Article 3 of this Contract.

612 (l) For the term of this Contract, Rates applied under the respective

613 ratesetting policies will be established to recover only reimbursable O&M (including any

614 deficits) and capital costs of the Project, as those terms are used in the then-current Project

615 ratesetting policies, and interest, where appropriate, except in instances where a minimum Rate is

616 applicable in accordance with the relevant Project ratesetting policy. Changes of significance in

617 practices which implement the Contracting Officer's ratesetting policies will not be implemented

618 until the Contracting Officer has provided the Contractor an opportunity to discuss the nature,

619 need, and impact of the proposed change.

620 (m) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the

621 CVPIA, the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates,

622 in accordance with the applicable Project ratesetting policy, adjusted upward or downward to

623 reflect the changed costs, if any, incurred by the Contracting Officer in the delivery of the

624 transferred Project Water to the transferee's point of delivery.

625 (n-o) Omitted

626 SALES, TRANSFERS, OR EXCHANGES OF WATER

627 8. (a) The right to receive Project Water provided for in this Contract may be
628 sold, transferred, or exchanged to others for reasonable and beneficial uses within the State of
629 California if such sale, transfer, or exchange is authorized by applicable Federal and State laws,
630 and applicable guidelines or regulations then in effect. No sale, transfer, or exchange of Project
631 Water under this Contract may take place without the prior written approval of the Contracting
632 Officer, except as provided for in subdivision (b) of this Article, and no such sales, transfers, or
633 exchanges shall be approved absent all appropriate environmental documentation, including, but
634 not limited to, documents prepared pursuant to the NEPA and ESA. Such environmental
635 documentation should include, as appropriate, an analysis of groundwater impacts and economic
636 and social effects, including environmental justice, of the proposed water transfers on both the
637 transferor and transferee.

638 (b) In order to facilitate efficient water management by means of water
639 transfers of the type historically carried out among Project Contractors located within the same
640 geographical area and to allow the Contractor to participate in an accelerated water transfer
641 program during the term of this Contract, the Contracting Officer shall prepare, as appropriate,
642 all necessary environmental documentation, including, but not limited to, documents prepared
643 pursuant to the NEPA and ESA, analyzing annual transfers within such geographical areas and
644 the Contracting Officer shall determine whether such transfers comply with applicable law.
645 Following the completion of the environmental documentation, such transfers addressed in such
646 documentation shall be conducted with advance notice to the Contracting Officer, but shall not
647 require prior written approval by the Contracting Officer. Such environmental documentation

648 and the Contracting Officer's compliance determination shall be reviewed every five years and
649 updated, as necessary, prior to the expiration of the then existing five (5)-year period. All
650 subsequent environmental documentation shall include an alternative to evaluate not less than the
651 quantity of Project Water historically transferred within the same geographical area.

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

663 APPLICATION OF PAYMENTS AND ADJUSTMENTS

664 9. (a) The amount of any overpayment by the Contractor of the Contractor's
665 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current
666 liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of
667 more than \$1,000 shall be refunded at the Contractor's request. In lieu of a refund, any amount
668 of such overpayment, at the option of the Contractor, may be credited against amounts to become
669 due to the United States by the Contractor. With respect to overpayment, such refund or

670 adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to
671 have the right to the use of any of the Project Water supply provided for in this Contract. All
672 credits and refunds of overpayments shall be made within 30 days of the Contracting Officer
673 obtaining direction as to how to credit or refund such overpayment in response to the notice to
674 the Contractor that it has finalized the accounts for the Year in which the overpayment was
675 made.

676 (b) All advances for miscellaneous costs incurred for work requested by the
677 Contractor pursuant to Article 21 of this Contract shall be adjusted to reflect the actual costs
678 when the work has been completed. If the advances exceed the actual costs incurred, the
679 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
680 advances, the Contractor will be billed for the additional costs pursuant to Article 21 of this
681 Contract.

682 TEMPORARY REDUCTIONS – RETURN FLOWS

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

688 (b) The Contracting Officer or Operating Non-Federal Entity(ies) may
689 temporarily discontinue or reduce the quantity of Water Delivered to the Contractor as herein
690 provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any
691 of the Project facilities or any part thereof necessary for the delivery of Project Water to the

692 Contractor, but so far as feasible the Contracting Officer or Operating Non-Federal Entity(ies)
693 will give the Contractor due notice in advance of such temporary discontinuance or reduction,
694 except in case of emergency, in which case no notice need be given; Provided, That the United
695 States shall use its best efforts to avoid any discontinuance or reduction in such service. Upon
696 resumption of service after such discontinuance or reduction, and if requested by the Contractor,
697 the United States will, if possible, deliver the quantity of Project Water which would have been
698 delivered hereunder in the absence of such discontinuance or reduction.

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

705 CONSTRAINTS ON THE AVAILABILITY OF WATER

706 11. (a) In its operation of the Project, the Contracting Officer will use all
707 reasonable means to guard against a Condition of Shortage in the quantity of Project Water to be
708 made available to the Contractor pursuant to this Contract. In the event the Contracting Officer
709 determines that a Condition of Shortage appears probable, the Contracting Officer will notify the
710 Contractor of said determination as soon as practicable.

711 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting
712 or other similar operational errors affecting the Project; drought and other physical or natural
713 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer
714 to meet current and future legal obligations, then, except as provided in subdivision (a) of Article
715 15 of this Contract, no liability shall accrue against the United States or any of its officers,
716 agents, or employees for any damage, direct or indirect, arising therefrom.

717 (c) Project Water furnished under this Contract will be allocated in

718 accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be
719 amended, modified, or superseded only through a public notice and comment procedure.

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

730 RULES, REGULATIONS, AND DETERMINATIONS

731 12. (a) The parties agree that the delivery of Project Water or the use of Federal
732 facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and
733 supplemented, and the rules and regulations promulgated by the Secretary of the Interior under
734 Federal Reclamation law.

735 (b) The Contracting Officer shall have the right to make determinations
736 necessary to administer this Contract that are consistent with its expressed and implied
737 provisions, the laws of the United States and the State of California, and the rules and regulations
738 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation
739 with the Contractor.

740 PROTECTION OF WATER AND AIR QUALITY

741 13. (a) Omitted

742 (b) The United States will care for, operate and maintain reserved works in a
743 manner that preserves the quality of the water at the highest level possible as determined by the
744 Contracting Officer. The United States does not warrant the quality of the water delivered to the

745 Contractor and is under no obligation to furnish or construct water treatment facilities to
746 maintain or improve the quality of water delivered to the Contractor.

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

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

756 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN FROM THE UNITED
757 STATES

758 14. (a) Omitted

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

764 (1) The Contractor may introduce non-Project water into Project
765 facilities and deliver said water to lands within the Contractor's Service Area, subject to payment
766 to the United States and/or to any applicable Operating Non-Federal Entity of an appropriate rate
767 as determined by the applicable Project ratesetting policy, the Reclamation Reform Act of 1982,
768 each as amended, modified, or superseded from time to time. In addition, if electrical power is
769 required to pump non-Project water through the facilities, the Contractor shall be responsible for
770 obtaining the necessary power and paying the necessary charges therefore.

771 (2) Delivery of such non-Project water in and through Project facilities

772 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project
773 purposes as determined by the Contracting Officer; (ii) reduce the quantity or quality of water
774 available to other Project Contractors; (iii) interfere with the delivery of contractual water
775 entitlements to any other Project Contractors; or (iv) interfere with the physical maintenance of
776 the Project facilities.

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

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

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

794 available by the Contracting Officer for conveyance and transportation of non-Project water prior
795 to any such remaining capacity being made available to non-Project contractors.

796 OPINIONS AND DETERMINATIONS

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

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

812 COORDINATION AND COOPERATION

813 16. (a) In order to further their mutual goals and objectives, the Contracting
814 Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and
815 with other affected Project Contractors, in order to improve the O&M of the Project. The

816 communication, coordination, and cooperation regarding O&M shall include, but not be limited
817 to, any action which will or may materially affect the quantity or quality of Project Water supply,
818 the allocation of Project Water supply, and Project financial matters including, but not limited to,
819 budget issues. The communication, coordination, and cooperation provided for hereunder shall
820 extend to all provisions of this Contract. Each party shall retain exclusive decision making
821 authority for all actions, opinions, and determinations to be made by the respective party.

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

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

831 (1) The Contracting Officer will, at the request of the Contractor,
832 assist in the development of integrated resource management plans for the Contractor. Further,
833 the Contracting Officer will, as appropriate, seek authorizations for implementation of
834 partnerships to improve water supply, water quality, and reliability.

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

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

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

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

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

850 CHARGES FOR DELINQUENT PAYMENTS

851 17. (a) The Contractor shall be subject to interest, administrative, and penalty
852 charges on delinquent payments. If a payment is not received by the due date, the Contractor
853 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
854 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in
855 addition to the interest charge, an administrative charge to cover additional costs of billing and
856 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor
857 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the
858 payment is delinquent beyond the due date, based on the remaining balance of the payment due
859 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
860 collection services associated with a delinquent payment.

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

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

868 EQUAL EMPLOYMENT OPPORTUNITY

869 18. During the performance of this Contract, the Contractor agrees as follows:

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

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

884 (c) The Contractor will not discharge or in any other manner discriminate
885 against any employee or applicant for employment because such employee or applicant has
886 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
887 employee or applicant. This provision shall not apply to instances in which an employee who
888 has access to the compensation information of other employees or applicants as part of such
889 employee's essential job functions discloses the compensation of such other employees or
890 applicants to individuals who do not otherwise have access to such information, unless such
891 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
892 proceeding, hearing, or action, including an investigation conducted by the employer, or is
893 consistent with the Contractor's legal duty to furnish information.

894 (d) The Contractor will send to each labor union or representative of workers
895 with which it has a collective bargaining agreement or other contract or understanding, a notice,
896 to be provided by the Contracting Officer, advising the labor union or workers' representative of
897 the Contractor's commitments under Section 202 of Executive Order No. 11246 of September
898 24, 1965, and shall post copies of the notice in conspicuous places available to employees and
899 applicants for employment.

900 (e) The Contractor will comply with all provisions of Executive Order No.
901 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
902 Labor.

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

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

915 (h) The Contractor will include the provisions of paragraphs (a) through (g) in
916 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
917 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24,
918 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor
919 will take such action with respect to any subcontract or purchase order as may be directed by the
920 Secretary of Labor as a means of enforcing such provisions, including sanctions for
921 noncompliance: *Provided, however, That* in the event the Contractor becomes involved in, or is
922 threatened with, litigation with a subcontractor or vendor as a result of such direction, the
923 Contractor may request the United States to enter into such litigation to protect the interests of
924 the United States.

925 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

926 19. (a) The obligation of the Contractor to pay the United States as provided in
927 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
928 obligation may be distributed among the Contractor's water users and notwithstanding the default
929 of individual water users in their obligation to the Contractor.

930 (b) The payment of charges becoming due pursuant to this Contract is a
931 condition precedent to receiving benefits under this Contract. The United States shall not make
932 water available to the Contractor through Project facilities during any period in which the
933 Contractor is in arrears in the advance payment of water rates due the United States. The
934 Contractor shall not deliver water under the terms and conditions of this Contract for lands or
935 parties that are in arrears in the advance payment of water rates as levied or established by the
936 Contractor.

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

939 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

940 20. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
941 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
942 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title
943 III; 42 U.S.C. 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-
944 336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
945 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
946 Interior and/or Bureau of Reclamation.

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

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

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

964 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

965 21. In addition to all other payments to be made by the Contractor pursuant to this
966 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and
967 detailed statement submitted by the Contracting Officer to the Contractor for such specific items
968 of direct cost incurred by the United States for work requested by the Contractor associated with

969 this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies
970 and procedures. All such amounts referred to in this Article shall not exceed the amount agreed
971 to in writing in advance by the Contractor. This Article shall not apply to costs for routine
972 contract administration.

973 WATER CONSERVATION

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

978 Additionally, an effective water conservation and efficiency program shall be based on the
979 Contractor's water conservation plan that has been determined by the Contracting Officer to meet
980 the conservation and efficiency criteria for evaluating water conservation plans established under
981 Federal law. The water conservation and efficiency program shall contain definite water
982 conservation objectives, appropriate economically feasible water conservation measures, and
983 time schedules for meeting those objectives. Continued Project Water delivery pursuant to this
984 Contract shall be contingent upon the Contractor's continued implementation of such water
985 conservation program. In the event the Contractor's water conservation plan or any revised water
986 conservation plan completed pursuant to subdivision (d) of this Article 22 have not yet been
987 determined by the Contracting Officer to meet such criteria, due to circumstances which the
988 Contracting Officer determines are beyond the control of the Contractor, water deliveries shall be
989 made under this Contract so long as the Contractor diligently works with the Contracting Officer
990 to obtain such determination at the earliest practicable date, and thereafter the Contractor
991 immediately begins implementing its water conservation and efficiency program in accordance

992 with the time schedules therein.

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

999 (c) The Contractor shall submit to the Contracting Officer a report on the
1000 status of its implementation of the water conservation plan on the reporting dates specified in the
1001 then-existing conservation and efficiency criteria established under Federal law.

1002 (d) At five (5)-year intervals, the Contractor shall revise its water
1003 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
1004 water conservation plans established under Federal law and submit such revised water
1005 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
1006 will then determine if the water conservation plan meets the Bureau of Reclamation's then-
1007 existing conservation and efficiency criteria for evaluating water conservation plans established
1008 under Federal law.

1009 (e) If the Contractor is engaged in direct groundwater recharge, such activity
1010 shall be described in the Contractor's water conservation plan.

1011 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

1012 23. Except as specifically provided in Article 14 of this Contract, the provisions of
1013 this Contract shall not be applicable to or affect non-Project water or water rights now owned or

1014 hereafter acquired by the Contractor or any user of such water within the Contractor's Service
1015 Area. Any such water shall not be considered Project Water under this Contract. In addition,
1016 this Contract shall not be construed as limiting or curtailing any rights which the Contractor or
1017 any water user within the Contractor's Service Area acquires or has available under any other
1018 contract pursuant to Federal Reclamation law.

1019 O&M BY THE SAN LUIS & DELTA – MENDOTA WATER AUTHORITY

1020 24. (a) The O&M of a portion of the Project facilities which serve the Contractor,
1021 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1022 San Luis & Delta-Mendota Water Authority, an Operating Non-Federal Entity by separate
1023 agreement (8-07-20-X0354-X) between the United States and Operating Non-Federal Entity San
1024 Luis & Delta-Mendota Water Authority. That separate agreement shall not interfere with or
1025 affect the rights or obligations of the Contractor or the United States hereunder.

1026 (b) The Contracting Officer has previously notified the Contractor in writing
1027 that the Operation and Maintenance of a portion of the Project facilities which serve the
1028 Contractor has been transferred to the Operating Non-Federal Entity San Luis & Delta-Mendota
1029 Water Authority, and therefore, the Contractor shall pay directly to the Operating Non-Federal
1030 Entity San Luis & Delta-Mendota Water Authority, or to any successor approved by the
1031 Contracting Officer under the terms and conditions of the separate agreement between the United
1032 States and the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority
1033 described in subdivision (a) of this Article, all rates, charges, or assessments of any kind,
1034 including any assessment for reserve funds, which the Operating Non-Federal Entity San Luis &
1035 Delta-Mendota Water Authority or such successor determines, sets, or establishes for the

1036 Operation and Maintenance of the portion of the Project facilities operated and maintained by the
1037 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or such successor.
1038 Such direct payments to Operating Non-Federal Entity San Luis & Delta-Mendota Water
1039 Authority or such successor shall not relieve the Contractor of its obligation to pay directly to the
1040 United States the Contractor's share of the Project Rates, Charges, and Tiered Pricing
1041 Component except to the extent the Operating Non-Federal Entity San Luis & Delta-Mendota
1042 Water Authority collects payments on behalf of the United States in accordance with the separate
1043 agreement identified in subdivision (a) of this Article.

1044 (c) For so long as the O&M of any portion of the Project facilities serving the
1045 Contractor is performed by Operating Non-Federal Entity San Luis & Delta-Mendota Water
1046 Authority, or any successor thereto, the Contracting Officer shall adjust those components of the
1047 Rates for Water Delivered under this Contract representing the cost associated with the activity
1048 being performed by Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority,
1049 or its successor.

1050 (d) In the event the Operation and Maintenance of the Project facilities
1051 operated and maintained by the Operating Non-Federal Entity San Luis & Delta-Mendota Water
1052 Authority is re-assumed by the United States during the term of this Contract, the Contracting
1053 Officer shall so notify the Contractor, in writing, and present to the Contractor a revised Exhibit
1054 "B" which shall include the portion of the Rates to be paid by the Contractor for Project Water
1055 under this Contract representing the Operation and Maintenance costs of the portion of such
1056 Project facilities which have been re-assumed. The Contractor shall, thereafter, in the absence of
1057 written notification from the Contracting Officer to the contrary, pay the Rates, Charges, and

1058 Tiered Pricing Component specified in the revised Exhibit "B" directly to the United States in
1059 compliance with Article 7 of this Contract.

1060 O&M BY THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

1061 25. (a) The O&M of a portion of the Project facilities which serve the Contractor,
1062 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1063 California Department of Water Resources, an Operating Non-Federal Entity by a separate
1064 agreement (14-06-200-9755) between the United States and Operating Non-Federal Entity
1065 California Department of Water Resources. This separate agreement shall not interfere with or
1066 affect the rights or obligations of the Contractor or the United States hereunder.

1067 (b) The Contracting Officer has previously notified the Contractor in writing
1068 that the O&M of a portion of the Project facilities which serve the Contractor has been
1069 transferred to the Operating Non-Federal Entity California Department of Water Resources, and
1070 the Contractor shall pay directly to Operating Non-Federal Entity San Luis & Delta-Mendota
1071 Water Authority, or to any successor approved by the Contracting Officer under the terms and
1072 conditions of the separate agreement between the United States and Operating Non-Federal
1073 Entity San Luis & Delta-Mendota Water Authority, described in subdivision (a) of Article 25 of
1074 this Contract, all rates, charges, or assessments of any kind, including any assessment for reserve
1075 funds, which Operating Non-Federal Entity California Department of Water Resources, or such
1076 successor determines, sets, or establishes for the O&M of the conveyance and conveyance
1077 pumping portion of the Project facilities operated and maintained by Operating Non-Federal
1078 Entity California Department of Water Resources, or such successor. Such direct payments to
1079 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority, or such successor,

1080 shall not relieve the Contractor of its obligation to pay directly to the United States the
1081 Contractor's share of the Project Rates, Charges, and Tiered Pricing Component except to the
1082 extent the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority collects
1083 payments on behalf of the United States in accordance with the separate agreement identified in
1084 subdivision (a) of Article 25 of this Contract.

1085 (c) For so long as the O&M of any portion of the Project facilities serving the
1086 Contractor is performed by Operating Non-Federal Entity California Department of Water
1087 Resources, or any successor thereto, the Contracting Officer shall adjust those components of the
1088 Rates for Water Delivered under this Contract representing the cost associated with the activity
1089 being performed by Operating Non-Federal Entity California Department of Water Resources, or
1090 its successor.

1091 (d) In the event the O&M of the Project facilities operated and maintained by
1092 Operating Non-Federal Entity California Department of Water Resources is re-assumed by the
1093 United States during the term of this Contract, the Contracting Officer shall so notify the
1094 Contractor, in writing, and present to the Contractor a revised Exhibit "B" which shall include
1095 the portion of the Rates and Charges, to be paid by the Contractor for Project Water under this
1096 Contract representing the O&M costs of the portion of such Project facilities which have been re-
1097 assumed. The Contractor shall, thereafter, in the absence of written notification from the
1098 Contracting Officer to the contrary, pay the Rates, Charges, and Tiered Pricing Component
1099 specified in the revised Exhibit "B" directly to the United States in compliance with Article 7 of
1100 this Contract.

1101 OPERATION AND MAINTENANCE BY WESTLANDS WATER DISTRICT

1102 26. (a) The O&M of a portion of the Project facilities which serve the Contractor,
1103 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1104 Westlands Water District, the Operating Non-Federal Entity Westlands Water District by a
1105 separate contract (14-06-200-2020A) between the United States and Westlands Water District,
1106 the Operating Non-Federal Entity Westlands Water District. That above-referenced contract
1107 shall not interfere with or affect the rights or obligations of the Contractor or the United States
1108 hereunder.

1109 (b) The Contracting Officer has previously notified the Contractor in writing
1110 that the O&M of a portion of the Project facilities which serve the Contractor has been
1111 transferred to the Operating Non-Federal Entity Westlands Water District. Therefore, the
1112 Contractor has entered into a separate agreement with the Operating Non-Federal Entity
1113 Westlands Water District providing the terms and conditions pursuant to which the Operating
1114 Non-Federal Entity Westlands Water District will deliver Project Water to the Contractor
1115 through the portion of the Project facilities operated and maintained by the Operating Non-
1116 Federal Entity Westlands Water District, including the amount(s) the Contractor is to pay the
1117 Operating Non-Federal Entity Westlands Water District for that service. The Contractor shall
1118 pay directly to the Operating Non-Federal Entity Westlands Water District, or to any successor
1119 approved by the Contracting Officer, all rates, charges, or assessments of any kind, including any
1120 assessment for reserve funds, described in the separate agreement referred to above or any
1121 amendatory or replacement agreement approved by the Contracting Officer, which the Operating
1122 Non-Federal Entity Westlands Water District and or such successor determines, sets, or

1123 establishes for the Operating Non-Federal Entity Westlands Water District or such successor.
1124 Such direct payments to the Operating Non-Federal Entity Westlands Water District or such
1125 successor shall not relieve the Contractor of its obligation to pay directly to the United States the
1126 Contractor's share of the Project Rates and Charges referred to in this Contract.

1127 (c) For so long as the O&M of any portion of the Project facilities serving the
1128 Contractor is performed by the Operating Non-Federal Entity Westlands Water District, or any
1129 successor thereto, the Contracting Officer shall adjust those components of the Rates for Water
1130 Delivered under this Contract representing the cost associated with the activity being performed
1131 by the Operating Non-Federal Entity Westlands Water District or its successor.

1132 (d) In the event the O&M of the Project facilities operated and maintained by
1133 the Operating Non-Federal Entity Westlands Water District is re-assumed by the United States
1134 during the term of this Contract, the Contracting Officer shall so notify the Contractor, in
1135 writing, and present to the Contractor a revised Exhibit "B" which shall include the portion of the
1136 Rates and Charges to be paid by the Contractor for Project Water under this Contract
1137 representing the O&M costs of the portion of such Project facilities which have been re-assumed.
1138 The Contractor shall, thereafter, in the absence of written notification from the Contracting
1139 Officer to the contrary, pay the Rates and Charges specified in the revised Exhibit "B" directly to
1140 the United States in compliance with Article 7 of this Contract.

1141 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1142 27. The expenditure or advance of any money or the performance of any obligation of
1143 the United States under this Contract shall be contingent upon appropriation or allotment of
1144 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
1145 obligations under this Contract. No liability shall accrue to the United States in case funds are
1146 not appropriated or allotted.

1147

BOOKS, RECORDS, AND REPORTS

1148 28. (a) The Contractor shall establish and maintain accounts and other books and
1149 records pertaining to administration of the terms and conditions of this Contract, including the
1150 Contractor's financial transactions; water supply data; project operations, maintenance, and
1151 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop
1152 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting
1153 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on
1154 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws
1155 and regulations, each party to this Contract shall have the right during office hours to examine
1156 and make copies of the other party's books and records relating to matters covered by this
1157 Contract.

1158 (b) Notwithstanding the provisions of subdivision (a) of this Article, no
1159 books, records, or other information shall be requested from the Contractor by the Contracting
1160 Officer unless such books, records, or information are reasonably related to the administration or
1161 performance of this Contract. Any such request shall allow the Contractor a reasonable period of
1162 time within which to provide the requested books, records, or information.

1163 (c) At such time as the Contractor provides information to the Contracting
1164 Officer pursuant to subdivision (a) of this Article, a copy of such information shall be provided
1165 to the Operating Non-Federal Entity(ies).

1166 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

1167 29. (a) The provisions of this Contract shall apply to and bind the successors and
1168 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
1169 therein by either party shall be valid until approved in writing by the other party.

1170 (b) The assignment of any right or interest in this Contract by either party
1171 shall not interfere with the rights or obligations of the other party to this Contract absent the
1172 written concurrence of said other party.

1173 (c) The Contracting Officer shall not unreasonably condition or withhold
1174 approval of any proposed assignment.

1175 SEVERABILITY

1176 30. In the event that a person or entity who is neither (i) a party to a Project contract,
1177 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii)
1178 an association or other form of organization whose primary function is to represent parties to
1179 Project contracts, brings an action in a court of competent jurisdiction challenging the legality or
1180 enforceability of a provision included in this Contract and said person, entity, association, or
1181 organization obtains a final court decision holding that such provision is legally invalid or
1182 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s),
1183 the parties to this Contract shall use their best efforts to (i) within 30 days of the date of such
1184 final court decision identify by mutual agreement the provisions in this Contract which must be
1185 revised and (ii) within three months thereafter promptly agree on the appropriate revision(s).
1186 The time periods specified above may be extended by mutual agreement of the parties. Pending
1187 the completion of the actions designated above, to the extent it can do so without violating any
1188 applicable provisions of law, the United States shall continue to make the quantities of Project
1189 Water specified in this Contract available to the Contractor pursuant to the provisions of this
1190 Contract which were not found to be legally invalid or unenforceable in the final court decision.

1191 RESOLUTION OF DISPUTES

1192 31. Should any dispute arise concerning any provisions of this Contract, or the
1193 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt to
1194 resolve the dispute. Prior to the Contractor commencing any legal action, or the Contracting
1195 Officer referring any matter to the Department of Justice, the party shall provide to the other
1196 party 30 days' written notice of the intent to take such action; Provided, That such notice shall

1197 not be required where a delay in commencing an action would prejudice the interests of the party
1198 that intends to file suit. During the 30-day notice period, the Contractor and the Contracting
1199 Officer shall meet and confer in an attempt to resolve the dispute. Except as specifically
1200 provided, nothing herein is intended to waive or abridge any right or remedy that the Contractor
1201 or the United States may have.

1202 OFFICIALS NOT TO BENEFIT

1203 32. No Member of or Delegate to the Congress, Resident Commissioner, or official of
1204 the Contractor shall benefit from this Contract other than as a water user or landowner in the
1205 same manner as other water users or landowners.

1206 CHANGES IN CONTRACTOR'S ORGANIZATION AND/OR SERVICE AREA

1207 33. (a) While this Contract is in effect, no change may be made in the
1208 Contractor's Service Area or organization, by inclusion or exclusion of lands or by any other
1209 changes which may affect the respective rights, obligations, privileges, and duties of either the
1210 United States or the Contractor under this Contract, including, but not limited to, dissolution,
1211 consolidation, or merger, except upon the Contracting Officer's written consent.

1212 (b) Within 30 days of receipt of a request for such a change, the Contracting
1213 Officer will notify the Contractor of any additional information required by the Contracting
1214 Officer for processing said request, and both parties will meet to establish a mutually agreeable
1215 schedule for timely completion of the process. Such process will analyze whether the proposed
1216 change, is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;
1217 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or
1218 to pay for any Federally-constructed facilities for which the Contractor is responsible; and (iii)
1219 have an impact on any Project Water rights applications, permits, or licenses. In addition, the
1220 Contracting Officer shall comply with the NEPA and the ESA. The Contractor will be
1221 responsible for all costs incurred by the Contracting Officer in this process, and such costs will

1222 be paid in accordance with Article 21 of this Contract.

1223 FEDERAL LAWS

1224 34. By entering into this Contract, the Contractor does not waive its rights to contest
1225 the validity or application in connection with the performance of the terms and conditions of this
1226 Contract of any Federal law or regulation; *Provided, That* the Contractor agrees to comply with
1227 the terms and conditions of this Contract unless and until relief from application of such Federal
1228 law or regulation to the implementing provision of the Contract is granted by a court of
1229 competent jurisdiction.

1230 NOTICES

1231 35. Any notice, demand, or request authorized or required by this Contract shall be
1232 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
1233 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,
1234 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,
1235 postage prepaid, or delivered to the City of Coalinga, 155 West Durian Avenue, Coalinga,
1236 California 93210. The designation of the addressee or the address may be changed by notice
1237 given in the same manner as provided in this Article for other notices.

1238 CERTIFICATION OF NONSEGREGATED FACILITIES

1239 36. The Contractor hereby certifies that it does not maintain or provide for its
1240 employees any segregated facilities at any of its establishments and that it does not permit its
1241 employees to perform their services at any location under its control where segregated facilities
1242 are maintained. It certifies further that it will not maintain or provide for its employees any
1243 segregated facilities at any of its establishments and that it will not permit its employees to
1244 perform their services at any location under its control where segregated facilities are
1245 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
1246 Employment Opportunity clause in this Contract. As used in this certification, the term
1247 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,
1248 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
1249 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
1250 facilities provided for employees which are segregated by explicit directive or are in fact
1251 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
1252 disability, or otherwise. The Contractor further agrees that (except where it has obtained
1253 identical certifications from proposed subcontractors for specific time periods) it will obtain
1254 identical certifications from proposed subcontractors prior to the award of subcontracts

1255 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
1256 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
1257 following notice to such proposed subcontractors (except where the proposed subcontractors
1258 have submitted identical certifications for specific time periods):

1259 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
1260 CERTIFICATIONS OF NONSEGREGATED FACILITIES

1261 A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract
1262 exceeding \$10,000 which is not exempt from the provisions of the Equal Employment
1263 Opportunity clause. The certification may be submitted either for each subcontract or for all
1264 subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for
1265 making false statements in offers is prescribed in 18 U.S.C. § 1001.

1266 MEDIUM FOR TRANSMITTING PAYMENT

1267 37. (a) All payments from the Contractor to the United States under this Contract
1268 shall be by the medium requested by the United States on or before the date payment is due. The
1269 required method of payment may include checks, wire transfers, or other types of payment
1270 specified by the United States.

1271 (b) Upon execution of this Contract, the Contractor shall furnish the
1272 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
1273 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
1274 out of the Contractor's relationship with the United States.

1275 CONTRACT DRAFTING CONSIDERATIONS

1276 38. This amended Contract has been negotiated and reviewed by the parties hereto,
1277 each of whom is sophisticated in the matters to which this amended Contract pertains. The
1278 double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by
1279 the parties, and no one party shall be considered to have drafted the stated Articles. Single-
1280 spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

1281 CONFIRMATION OF CONTRACT

1282 39. Promptly after the execution of this Contract, the Contractor will provide
1283 evidence to the Contracting Officer that, pursuant to the laws of the State of California, the
1284 Contractor is a legally constituted entity and the Contract is lawful, valid, and binding on the
1285 Contractor. This Contract will not be binding on the United States until the Contractor provides
1286 evidence to the Contracting Officer's satisfaction. In addition to other forms of evidence to meet
1287 the requirements of this Article, the Contractor may provide or the Contracting Officer may
1288 require a certified copy of a final decree of a court of competent jurisdiction in the State of

1289 California, confirming the proceedings on the part of the Contractor for the authorization of the
1290 execution of this Contract.

1291 IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the
1292 day and year first above written.

1293 UNITED STATES OF AMERICA

1294 By: 
1295 Regional Director
1296 Interior Region 10: California-Great Basin
1297 Bureau of Reclamation

1298 CITY OF COALINGA
1299 (SEAL)

1300 By: 
1301 Mayor

1302 Attest:

1303 By: 
1304 City Clerk

1291 IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the
1292 day and year first above written.

1293 UNITED STATES OF AMERICA

APPROVED AS TO LEGAL FORM AND
SUFFICIENCY - REVIEWED BY:



OFFICE OF THE REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

TIME STAMP: 1:37 pm, May 11 2020

1294
1295
1296
1297

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

1298 CITY OF COALINGA
1299 (SEAL)

1300 By: _____
1301 Mayor

1302 Attest:

1303 By: _____
1304 City Clerk

RESOLUTION NO. 3999

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA TO ENTER INTO A LONG-TERM WATER SUPPLY CONTRACT BETWEEN THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AND THE CITY OF COALINGA PROVIDING WATER SERVICE TO THE CITY OF COALINGA

WHEREAS, the City of Coalinga is solely dependent on the United States Department of the Interior, Bureau of Reclamation (USBR), Central Valley Project (CVP), for its water supply; and

WHEREAS, the City first entered USBR water supply contract 14-06-200-4173A, dated October 28, 1968, for a term of 40 years; and

WHEREAS, the lack of a completed Programmatic Environmental Impact Statement (PEIS) by the USBR prevented USBR from offering the City a new long-term contract; and

WHEREAS, the City entered USBR Interim Renewal contract 14-16-200-4173A-IR1, dated January 1, 2009, for a term of two years through February 28, 2011; and

WHEREAS, the City subsequently entered five additional Interim Renewal contracts, IR2 through IR6, each for a term of two years, with IR6 terminating February 28, 2021; and

WHEREAS, in 2016 the Congress of the United States of America approved the Water Infrastructure Improvements for the Nation (WIIN) Act; and

WHEREAS, Section 4011 of the WIIN Act allows USBR to convert water service contracts into repayment contracts; and

WHEREAS, repayment means the City must prepay outstanding USBR construction cost obligations assigned to the City, which costs are presently amortized in the City's USBR service rates; and

WHEREAS, USBR construction costs assigned to the City as of September 30, 2019, are \$697,495; and

WHEREAS, all other terms of service and rates of the proposed WIIN Act contract are unchanged from the existing terms of service, and

WHEREAS, the term of the proposed WIIN Act contract is perpetuity; and

WHEREAS, the City Council of the City of Coalinga concludes that the proposed WIIN Act contract assures safe and reliable long-term water supply for the city and its residents.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Coalinga as follows:

1. The Recitals above are found to be true and correct.

2. The City Council hereby approves "CONTRACT BETWEEN THE UNITED STATES AND CITY OF COALINGA PROVIDING FOR PROJECT WATER SERVICE SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT."
3. The City Council authorizes prepayment of USBR construction costs assigned to City of Coalinga, not to exceed \$700,000.
4. The City Council authorizes the Mayor of Coalinga to execute the finalized version of the proposed WIIN contract, upon receipt from USBR, and after review and approval of the City Attorney.

The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Coalinga on the 7th day of January 2021, by the following vote:


AYES: Adkisson, Ramirez, Singleton, Horn, Ramsey

NOES: None

ABSTAIN: None

ABSENT: None

EXECUTED BY:




Mayor

ATTEST:

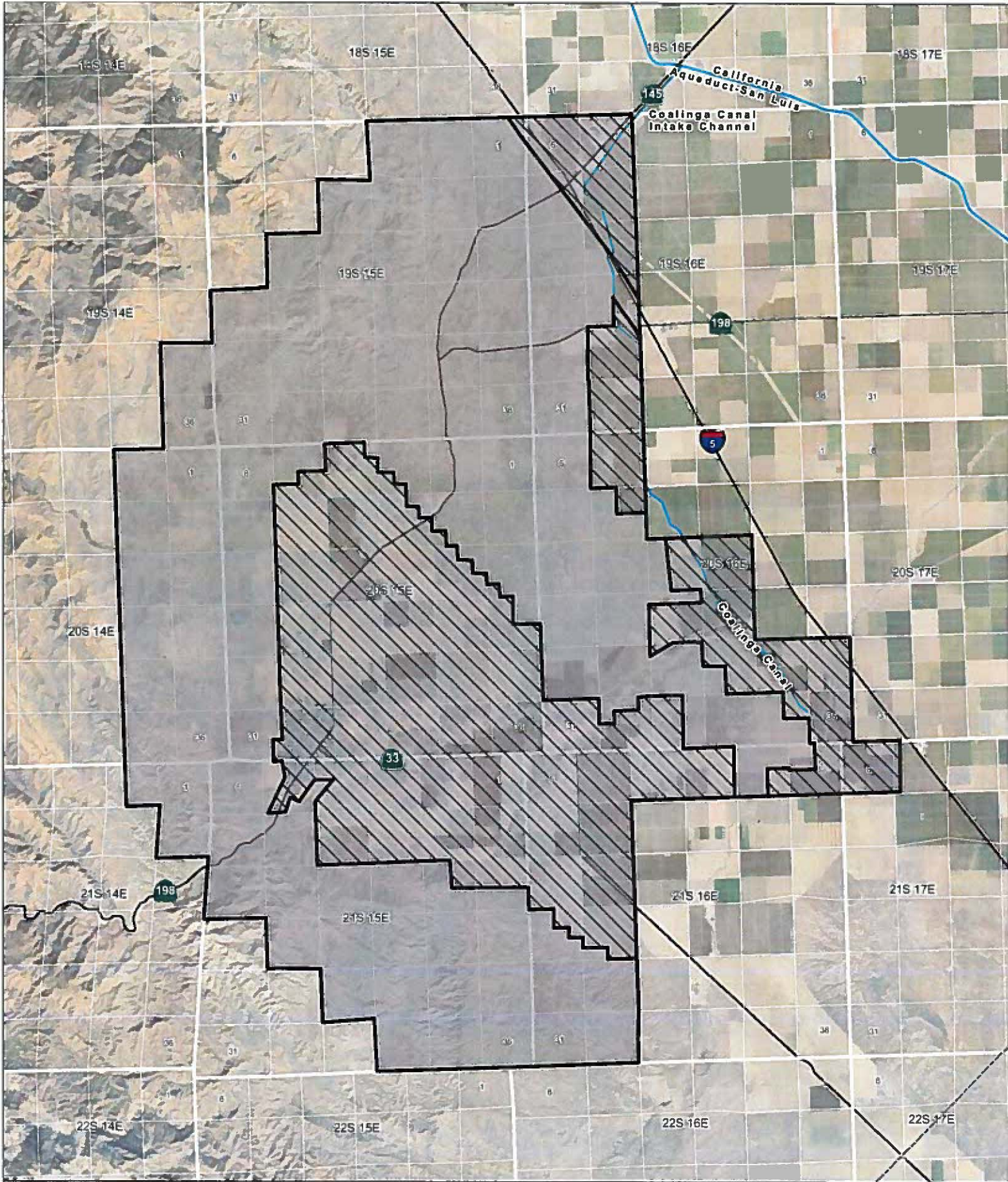




City Clerk / Deputy City Clerk

APPROVED AS TO FORM:



City Attorney



-  District Boundary
-  Contractor's Service Area

City of Coalinga
 Contract No. 14-06-200-4173A-IR1-P
 Exhibit A



— BUREAU OF —
RECLAMATION



**EXHIBIT B
 CITY OF COALINGA
 2020 Rates and Charges
 (Per Acre-Foot)**

	M&I Only
	Water
COST-OF-SERVICE (COS) RATE	
Construction Costs	\$0.00
O&M Components	
Direct Pumping Offset	\$38.52
Water Marketing	\$6.12
Storage	\$14.99
Deficit Cost (American Recovery and Reinvestment Act (ARRA) included)	\$19.08
TOTAL COS RATE	\$78.71
CHARGES AND ASSESSMENTS (<i>Payments in addition to Rates</i>)	
P.L. 102-575 Surcharge (Restoration Fund Payment) [Section 3407(d)(2)(A)]	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) [Appendix B, Section 203]	\$0.12

EXPLANATORY NOTES

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 = 7,414 AF; 2011 = 5,753 AF; 2017 = 7,455 AF; equals a M&I Historic use average quantity of 6,874 AF.

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

Exhibit C[@]

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

Unpaid Construction Cost from the 2020 Water Rate Books^{*}

Contractor: City of Coalinga
Facility: San Luis Canal - Fresno
Contract: 14-06-200-4173A-IR1-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba)			
	Unpaid Cost	Discount	
Construction Cost	~ \$ -		
2019 Repayment **	\$ -		
2020 Repayment (Estimate) **	\$ -		
Adjusted Construction Cost	\$ -	\$ -	
Intertie Construction Cost (N/A):	\$ -	\$ -	
Total	\$ -	\$ -	
If Paid in Installments (Used 20 yr CMT)			
	Due****		
Payment 1	2/1/2021	\$ -	
Payment 2	2/1/2022	\$ -	
Payment 3	2/1/2023	\$ -	
Payment 4	2/1/2024	\$ -	
Total Installment Payments		\$ -	
20 yr CMT Rates - N/A			0.000%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))			0.000%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	~ \$ 1,030,621
2019 Repayment **	\$ 333,126
2020 Repayment (Estimate) **	\$ 78,013
Adjusted Construction Cost***:	\$ 619,482

Calculation Support: Irrigation Lump Sum or First Payment**** 2/1/2021
 Days Until the End of the Fiscal Year 241

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
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031-63				\$ -	\$ -	\$ -	\$ -
Total, Lump Sum Payment		\$ -				\$ -	\$ -

Amount of Reduction, Lump Sum \$ -

* 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 the Annual Accounting Analysis for the District.
 2020 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.
 ~ M&I Credit from Schedule A-2Ba has been applied to Irrigation Unpaid Amount.
 @ To be updated. The WIIN Act requires us to have a Constant Maturity Treasury rate based on the effective date of the contract.