

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS

Riley Chaney, President
Robert Barcellos
Thomas W. Chaney
Micah H. Combs
Robert Motte

Incorporated February 16, 1920
8749 Ninth Street
Post Office Box 757
San Joaquin, California 93660-0757

Steven Stadler P.E., General Manager

Telephone: (559) 693-4356
Facsimile: (559) 693-4357

February 26, 2019

VIA MAIL AND E-MAIL

Erma Leal, Contracting Officer
U.S. Bureau of Reclamation
Mid-Pacific Region
South-Central California Area Office
1243 N Street
Fresno, CA 93720
e-mail: eleal@usbr.gov

Re: Notice of Dispute/Intent to Commence Legal Action: Approval and Implementation of the Mendota Pool Group 20-Year Exchange Program (Project), Draft Environmental Impact Statement/Environmental Impact Report (SCH # 2013041028), as Currently Proposed, Would Result in Breach of James Irrigation District's CVP Water Service and Settlement Contracts with Reclamation

Dear Ms. Leal:

This notice is provided pursuant to Article 33 of Contract No. 14-06-200-700-A-LTR1, titled "Long-Term Renewal Between the United States and James Irrigation District Providing for Project Water Service from Delta Division" dated February 25, 2005, and Article 27(a) of Contract No. 14-06-200-700-A, titled "Contract between the United States of America and the James Irrigation District Providing for Water Service and for Adjustment and Settlement of Certain Claimed Water Rights."

A. Introduction

As you know, the United States Bureau of Reclamation (USBR or Reclamation) and Westlands Water District (WWD), NEPA and CEQA lead agency respectively, have made available for public review and comment the Mendota Pool Group (MPG) 20-Year Exchange Program (MGP Project or Project) Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR). If approved, the MPG Project would reallocate James Irrigation District's (James or District) Central Valley Project (CVP) contract supplies to WWD and force James to take MPG's poor quality groundwater. More specifically, the MPG Project would utilize approximately 65 MPG groundwater wells to annually discharge of up to 26,316 acre-feet (AF) of highly saline groundwater into the Mendota Pool (Pool) in exchange for 25,000 AF of Delta-Mendota Canal (DMC) water, which would be redirected to MPG's agricultural lands in WWD, in addition to discharge of 12,000 AF for Adjacent Overlying Use on MPG farm lands. Over the 20-year period, groundwater pumping for exchange would be up to 421,053 AF. In contrast to the CVP supplies James is entitled to be furnished by contract with Reclamation, MPG Project groundwater would contain salts, boron, and other constituents of concern that make the water not suitable for irrigation. According to the DEIS/EIR, concentrations of Total Dissolved Solids (TDS) in the groundwater subbasin range from 200 mg/L to 13,000 mg/L, with concentrations generally higher in the southern portion of

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the subbasin where the Primary Study Area described in the EIS/EIR is located. (DEIS/EIR, p. 134.) The DEIS/EIR admits that groundwater discharged by the Project upstream of James's point of diversion will equal or exceed 1,600 mg/L, far in excess of Reclamation's standards for the Mendota Pool and Fresno Slough. (DEIS/EIR, p. 275.) As the following tables from the DEIR/EIS illustrate, such high concentrations of salt, in addition to high concentrations of boron, discharged from MPG wells result in water quality exceedances at downstream locations including James's point of diversion.

Table 17: 2014 Summary of Surface Water Grab Sample Data – Salinity¹

	Sample Location ²	EC @ 25°C (µmhos/cm)			TDS (mg/L)			Exceedance of TDS Annual Average Value (450 mg/L)
		Max	Med	#	Max	Med	#	
Mendota Pool	1. Columbia Canal	810	79	8	518	51	8	No
	2. Mendota Dam	1,110	471	10	710	301	10	No
	3. CCID Main Canal	1,110	456	10	710	292	10	No
	4. DMC	1,130	752	14	723	481	14	Yes
	5. CCID Outside Canal	1,140	691	1	730	442	1	No
	6. Firebaugh Intake Canal	1,390	742	10	890	475	10	Yes
	7. West of Fordel	695	530	2	445	339	2	No
Fresno Slough	8. Etchegoinberry ³	590	590	1	378	378	1	No
	9. MWA	1,470	1,420	8	941	909	8	Yes
	10. James Irrigation District Booster Plant	1,560	1,550	8	998	992	8	Yes
	11. Tranquillity Irrigation District Intake	1,380	1,235	2	883	790	2	Yes

Notes: Max = maximum recorded, Med = median of recorded samples, # = number of samples

¹ The Surface Water Mixing Models are based on sampling information from the 1990–2012 Annual Reports. Where relevant to the discussion, information from the 2010–2016 Annual Reports is also used in the analysis of impacts to surface water quality. The 2014 Annual Report was the most recent available during the preparation of the Draft EIS/EIR.

² See Figure 36 for Sample Locations.

³ Etchegoinberry was not sampled in the 2014 Annual Report. Therefore, data for the Etchegoinberry sampling location is from the 2013 Annual Report.

Source: Appendix D of the 2014 Annual Report (LSCE & KDSA 2015).

Table 20: Annual Salinity Values at the MWA, Sample Location 9 (2007-2014)

Year	Measured Average EC (µmhos/cm)	TDS Conversion (mg/L) ¹	Exceedance of TDS Annual Average (450 mg/L) ³
2007	773	495	Yes
2008	914	585	Yes
2009	893	571	Yes
2010	541	346	No
2011 ²	--	--	--
2012	665	425	No
2013	827	529	Yes
2014	1,420	909	Yes
Average	862	551	--

¹ Conversions from EC to TDS are estimates and may vary by 10 mg/L.

² MPG pumping for exchange did not occur during these years and no measurements were taken. Missing data for 2011 is therefore excluded from calculations of total annual average.

³ Reclamation contractual Water Quality Standards for the Mendota Pool and Fresno Slough. An annual average TDS threshold of 450 mg/L is used when assessing multiple historic years.

Source: 2014 Annual Report, LSCE & KDSA 2015.

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Table 21: 2014 Summary of Surface Water Sample Data - Trace Elements

	Sample Location ¹	Arsenic (µg/L)				Boron (µg/L)				Molybdenum (µg/L)				Selenium (µg/L)			
		Max	Med	#	Exceeds WQO? (10 µg/L) ²	Max	Med	#	Exceeds WQO? (800 µg/L) ²	Max	Med	#	Exceeds WQO? (19 µg/L) ²	Max	Med	#	Exceeds WQO? (2.0 µg/L) ²
Mendota Pool	Columbia Canal	4	3	2	No	290	50	8	No	3	2	2	No	<0.1	<1	8	No
	Mendota Dam	3	<2.5	2	No	540	200	10	No	3	2	2	No	1.5	<1	10	No
	CCID Main Canal	4	3.5	2	No	560	200	9	No	3	2	2	No	1.5	<1	10	No
	DMC	3	3	3	No	600	350	14	No	4	3.5	2	No	2.1 ³	<1	10	No
	CCID Outside Canal	3	2.5	2	No	590	300	11	No	3	2.5	2	No	1.6	<1	10	No
	Firebaugh Intake Canal	3	2.5	2	No	590	330	10	No	4	3	2	No	1.5	<1	10	No
	West of Fordel	3	3	2	No	300	250	2	No	4	3	2	No	<0.4	<0.4	2	No
Fresno Slough	Etchegoinberry ⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MWA ⁵	3	3	3	No	600	500	8	Yes ⁵	6	5.5	2	No	0.5	0.45	2	No
	James Irrigation District Booster Plant	8	5	3	No	1150	500	5	Yes	12	9.5	2	No	0.5	0.45	2	No
	Tranquillity Irrigation District Intake	9	6.5	2	No	1200	850	2	Yes	21	16.5	2	Yes	0.4	0.23	2	No

Notes: Max = maximum recorded, Med = median of recorded samples, # = number of samples, WQO = Water Quality Objective

¹ See Figure 36 for Sample Locations.

² Criteria used in the Annual Reports.

³ The target level is 2 µg/L. This data represents grab samples which are taken periodically throughout the year, but monitoring for selenium is not measured daily or in real time. Therefore, the exact number of days that selenium concentrations exceeded the target level is unknown, but it did occur in at least one of the grab samples. However, the average of all grab samples taken throughout the year shows an average concentration of less than 1.0 µg/L. Reclamation requires that no wells with selenium concentrations above 2 µg/L be allowed to introduce water for exchange under previous, current, or future exchanges.

⁴ Etchegoinberry was not sampled for the 2014 Annual Report. Therefore, data for the Etchegoinberry sampling location is from the 2013 Annual Report.

⁵ WQO for boron in the MWA is set by the CDFW at 0.3 mg/L (300 µg/L).

Source: Appendix D of the 2014 Annual Report (LSCE & KDSA 2015).

As demonstrated by the above tables and as further explained in James's comments on the DEIS/EIR, which are incorporated herein by this reference, the MPG Project is likely to have significant water quality and associated adverse impacts on James, its landowners and water users, and environmental resources within the district including crops, prime farmlands, soils, and groundwater. Indeed because of James's southerly location relative to the Pool and Fresno Slough, James will be most impacted and bear the brunt of the Project's environmental damage which will include damage to soils and crops within James's boundaries.

In addition to causing significant environmental impacts on James, the Project would also amount to a breach of Reclamation's long-term contractual obligations owed to James, including the implied duty of good faith and fair dealing, and may amount to an unconstitutional taking and revival of James's rights to divert and use San Joaquin River water. As Reclamation is aware, JID has two contracts (a "Settlement Contract"¹ and a "Water Supply contract"²) with USBR for receipt of Central Valley Project (CVP) supplies delivered through the DMC and south through the Mendota Pool/Fresno Slough to JID's point of diversion at the "James Booster Plant" or "P-Booster Station" intake structure. JID's point of diversion is from a channel commonly referred to as the Fresno Slough or James Bypass, at the southernmost extent of the Mendota Pool. MPG Project discharges into the Pool flow south by Project design to where JID takes delivery of surface water. The Project effectively forces JID to take, against its will, a non-equivalent replacement supply of water that is far inferior in quality to the DMC water JID would otherwise be entitled receive by contract.

¹ Contract No. 14-06-200-700-A (enclosed).

² Contract No. 14-06-200-700-A-LTR1 (enclosed).

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B. Relevant Contract Requirements and Duties of Reclamation

1. James's Settlement Contract

Fundamentally, the Settlement Contract requires USBR to furnish James, in addition to supplemental water, "Schedule 2 water" defined as "**Project water** delivered without charge ... as a permanent adjustment and settlement of the District's asserted claims of rights to water in Fresno Slough tributary to the San Joaquin River." (Settlement Contract, Art. 1(c) (emphasis added).) "**Project**" is in turn defined to mean the "**Central Valley Project...**" (*Id.*, Art. 1(b) (emphasis added).)

The Settlement Contract further provides that "[n]either the District nor any landowner therein shall divert, dispose of, or otherwise use San Joaquin [River] water under claim of water rights," but only "so long as the United States delivers or is ready, able, and willing to deliver to the District Schedule 2 water in accordance with the term of this contract." (*Id.*, Art. 12 (emphasis added).)

Regarding water quality, the Settlement Contract provides as follows: "The quality of water furnished under this contract shall be the best that the United States, following its established operating procedures, can deliver by means of the Delta-Mendota Canal and shall be at all times suitable irrigation water for use upon the lands served by the District." (Art., Art. 10(a) (emphasis added).) That same article of the contract includes water quality criteria that would be exceeded with implementation of the proposed Project.

2. James's Water Service Contract

Similar to the Settlement Contract, the District's Water Service Contract provides that USBR shall make available for delivery to the District "**Project Water**." (Water Service Contract, Art. 3(a); see also 5(a)&(b) (emphasis added).) "**Project Water**" is defined to mean "all water that is developed, diverted, stored, or delivered by the Secretary in accordance with the statutes authorizing the Project..." (*Id.*, Art. 1(u) (emphasis added).) "**Project**" is defined as the "**Central Valley Project...**" (*Id.*, Art. 1(s) (emphasis added).)

Regarding water quality, Article 16 of the Water Supply Contract provides as follows:

"(b) The O&M of Project facilities shall be performed in such manner as it practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer." (Water Service Contract, Art. 16(b) (emphasis added).)

Additionally, the Water Supply Contract requires that Reclamation shall "**communicate, coordinate, and cooperate**" with James regarding operations and management, including with respect to "any action which will or may materially affect the ...quality of Project Water supply [and] the allocation of Project Water supply, and such communication, coordinate, and cooperation "shall extend to all provisions of this Contract." (Water Service Contract, Art. 19(a) (emphasis added).)

Based on the plain meaning of foregoing provisions of James's Settlement Contract and Water Service Contract, USBR is required to furnish James CVP water originating from the Delta Division of the CVP and

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delivered through the Delta-Mendota Canal (DMC). However, if the MPG Project is approved and implemented, as currently proposed, James will instead receive non-CVP Project water – groundwater – from non-CVP Project facilities – MPG wells, and Reclamation would not be “ready, able or willing” to deliver “Schedule 2 water” to James. Moreover, in terms of quality, the substituted groundwater is clearly not the “best” or “highest level reasonably attainable” that Reclamation can deliver to James. As provided in the DEIS/EIR and James’s comments thereon, the replacement groundwater furnished to James would not be suitable for irrigation of crops in James, or otherwise satisfy applicable water quality standards and other requirements. In this regard, while Reclamation seems to have taken great pains to coordinate and cooperate with the Exchange Contractors and others by including in the MPG Project constraints specifically designed to avoid impacts to those parties and their constituents, the DEIS/EIR fails to include project constraints designed to avoid or minimize water quality or other foreseeable and potentially significant environmental impacts to James and its landowners.

Therefore, for the above reasons and possibly others, approval of the MPG Project as proposed would constitute or lead to a breach of James’s Settlement Contract and Water Service Contract by Reclamation. Breach of a water supply contract by Reclamation in these circumstances is actionable (i.e., the sovereign acts defense would not absolve USBR of liability), and such action may include a cause of action for inverse condemnation or unlawful taking and seek damages and/or equitable remedies. (See, e.g., *Stockton East Water District v. United States*, 583 F.3d 1344 (2009); see also 28 U.S.C. §1331; see also 43 U.S.C. §390uu; see also 5 U.S.C. §§701, et seq.; see also *Westlands Water Dist. v. Firebaugh Canal*, 10 F.3d 667 (1993) [waiver of sovereign immunity and equitable relief against Bureau of Reclamation]; see also *Sumner Peck Ranch, Inc. v. Bureau of Reclamation*, 823 F.Supp.715, 748 (1993) [holding that Section 390uu waives sovereign immunity from contract claims for injunctive relief and specific performance regarding contracts that concern Reclamation Law].)

C. Conclusion

In summary, James and Reclamation have binding long-term contracts for specified CVP waters that Reclamation is obligated to furnish to James through CVP facilities. However, for the reasons summarized above, among others, James believes that a discretionary decision by Reclamation to approve and implement the MPG Project would constitute or lead to an inevitable breach of its Settlement Contract and Water Service Contract, because the MPG Project would redirect to WWD supplies Reclamation is required to furnish to James without James’s consent in exchange for undesirable groundwater of quality that is not suitable for irrigation. Approval and implementation of the MPG Project would also be contrary to the implied covenant of good faith and fair dealing and Reclamation’s express covenant to operate the CVP, in coordination and cooperation with James, in a manner that does not materially affect the quality of water Reclamation is contractually obligated to furnish to James. Some of James’s contract supplies were guaranteed as a condition of James not asserting claims of right to San Joaquin River water. Thus, substitution of groundwater for CVP Project water due James may also constitute an unconstitutional taking of James’s water and water rights, and/or allow James’s to revive and re-assert claims of rights to San Joaquin River water pursuant to Article 12 of the Settlement Contracts.

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Pursuant to Articles 33 and 27(a) of James's Water Service Contract and Settlement Contract, respectively, James hereby provides Reclamation with notice of its intent to commence legal action in the event the MPG Project is approved, as presently configured, and respectfully requests a meeting to confer and attempt to resolve the above dispute.

Sincerely,



Steven Stadler, P.E., General Manager
James Irrigation District

cc:

Michael Ryan
Senior Advisor to the Commissioner (former Regional Director)
2021 4th Ave North
Billings, MT 59101

Ernest A. Conant
Regional Director, Mid-Pacific Region
2800 Cottage Way
Sacramento, CA 95825
econant@usbr.gov

Alicia Forsythe
Deputy Regional Director, Mid-Pacific Region
2800 Cottage Way
Sacramento, CA 95825
aforsythe@usbr.gov

Michael P. Jackson, P.E.
Area Manager, South-Central California
1243 N Street
Fresno, CA 93720
mjackson@usbr.gov

Rain Emerson
Supervisory Natural Resources Specialist
1243 N Street
Fresno, CA 93720
remerson@usbr.gov

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

CONTRACT No.

14-06-200-700-A

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE
JAMES IRRIGATION DISTRICT PROVIDING FOR WATER SERVICE AND
FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

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R.O. Draft 11/4-1963
Rev. W.O. 11/15-1963

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

CONTRACT 14-06-700-700A

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE
JAMES IRRIGATION DISTRICT PROVIDING FOR WATER SERVICE AND
FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

THIS CONTRACT, made this 22^d day of December
1963, in pursuance generally of the Act of June 17, 1902 (32 Stat.
388), and acts amendatory thereof or supplementary thereto, all
collectively hereinafter referred to as the Federal reclamation laws,
between THE UNITED STATES OF AMERICA, hereinafter referred to as the
United States, and the JAMES IRRIGATION DISTRICT, hereinafter referred
to as the District, a political subdivision of the State of California,
duly organized, existing, and acting pursuant to the laws thereof,
with its principal place of business in San Joaquin, California,

WITNESSETH, That:

EXPLANATORY RECITALS

WHEREAS, the United States is constructing and operating the
Central Valley Project, California, for the purpose, among others, of
furnishing water for irrigation, municipal, domestic, and other
beneficial uses; and

1 WHEREAS, the United States has constructed the Delta-Mendota
2 Canal which will be operated and used, in part, for the furnishing of
3 water to the District pursuant to the terms of this contract; and

4 WHEREAS, investigations of the District lands and present
5 water supply indicate that irrigated and irrigable lands within the
6 boundaries of the District are at present in need of additional water
7 for irrigation, and that an additional water supply to meet these
8 present and potential needs can be made available by and through the
9 works constructed and to be constructed by the United States; and

10 WHEREAS, the District desires to contract, pursuant to the
11 Federal reclamation laws and the laws of the State of California, for
12 the furnishing by the United States of a supplemental water supply from
13 the Central Valley Project for which the District will make payment to
14 the United States upon the basis, at the rates, and pursuant to the
15 conditions hereinafter set forth; and

16 WHEREAS, the District on behalf of individuals owning lands
17 lying within the District adjacent to Fresno Slough has asserted claims
18 that the construction and operation of the Central Valley Project has
19 interfered with claimed rights in and to the use of the waters of the
20 San Joaquin River by impairing the quantity thereof, and the District
21 is authorized and willing to accept an annual delivery of nine thousand
22 seven hundred (9,700) acre-feet of water from Mendota Pool as an adjust-
23 ment and settlement of these asserted claims; and

1 WHEREAS, in the interest of conservation of water by avoid-
2 ing high conveyance losses incurred in using its Kings River water the
3 District has entered into an agreement entitled "James-Kings River
4 Water and Storage Agreement", whereby certain other Kings River water
5 users will be entitled to utilize the yield of the District's right
6 to Kings River water concurrently with the term of this contract; and

7 WHEREAS, the District desires, in these circumstances, to
8 purchase a firm supply of Central Valley Project water; and

9 WHEREAS, investigations of the streamflow in the Sacramento
10 River, the Trinity River, the American River, and the San Joaquin
11 River and their tributaries indicate that there will be available for
12 furnishing to the District from the Delta-Mendota Canal, a feature of
13 the Central Valley Project, an additional water supply for surface
14 diversion and direct application for irrigation; and

15 WHEREAS, the United States is willing to furnish water service
16 to the District from Mendota Pool, subject to the terms and conditions
17 following;

18 NOW, THEREFORE, in consideration of the mutual and dependent
19 covenants herein contained, it is mutually agreed as follows:

20 DEFINITIONS

21 1. When used herein, unless otherwise distinctly expressed or
22 manifestly incompatible with the intent hereof, the term;

1 (a) "Secretary" or "Contracting Officer" shall mean the
2 Secretary of the United States Department of the Interior or
3 his duly authorized representative;

4 (b) "Project" shall mean the Central Valley Project,
5 California, of the Bureau of Reclamation;

6 (c) "Schedule 2 water" shall mean all Project water
7 delivered without charge under the authority of Section 14 of
8 the Reclamation Project Act of 1939 (53 Stat. 1187, 1197) as a
9 permanent adjustment and settlement of the District's asserted
10 claims of rights to water in Fresno Slough tributary to the San
11 Joaquin River;

12 (d) "supplemental water" shall mean all Project water in
13 addition to Schedule 2 water delivered or required to be
14 delivered under the terms and conditions of this contract;

15 (e) "year" shall mean the calendar year;

16 (f) "agricultural use" shall mean use of water primarily
17 in the commercial production of agricultural crops or livestock
18 including domestic use incidental thereto on tracts of land
19 operated in units of more than two (2) acres; and

20 (g) "municipal, industrial, and domestic use" shall mean
21 use of water other than for agricultural use.

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WATER TO BE FURNISHED TO THE DISTRICT

3. (a) Each year, commencing with the year following that in which this contract is executed, the United States shall furnish to the District nine thousand seven hundred (9,700) acre-feet of Schedule 2 water at times and in quantities called for as provided in subdivision (a) of Article 4 hereof under the following basic table:

<u>Month</u>	<u>Quantities in Acre-feet</u>
January	0
February	600
March	800
April	1,300
May	1,900
June	2,500
July	2,000
August	400
September	200
October	0
November	0
December	0;

Provided, That in any year when (1) the forecasted full natural inflow to Shasta Lake for the current water year (October 1 of the preceding year through September 30 of the current year), as such forecast is

1 made by the United States, on or before February 15, and reviewed
2 as frequently thereafter as conditions and information warrant, is
3 equal to or less than three million two hundred thousand (3,200,000)
4 acre-feet, or (2) the total accumulated actual deficiencies below
5 four million (4,000,000) acre-feet in the immediately prior water
6 year or series of successive prior water years, each of which had
7 inflows of less than four million (4,000,000) acre-feet, together
8 with the forecasted deficiency for the current water year, exceed
9 eight hundred thousand (800,000) acre-feet, the United States shall
10 furnish to the District seven thousand six hundred (7,600) acre-feet
11 of Schedule 2 water at times and in quantities called for as provided
12 in subdivision (a) of Article 4 hereof under the following basic table:

3	<u>Month</u>	<u>Quantities (Acre-feet)</u>
14	January	0
15	February	600
16	March	800
17	April	1,000
18	May	1,500
19	June	1,900
20	July	1,400
21	August	300
22	September	100
23	October	0
24	November	0
25	December	0

1 For the purpose of determining (1) and (2) set out above, the computed
2 inflow to Shasta Lake under present upstream development above Shasta
3 Lake shall be used as the full natural inflow to Shasta Lake. In the
4 event that major construction occurs above Shasta Lake after the date
5 of this contract which materially alters the present regimen of the
6 stream systems contributing to Shasta Lake, the computed inflow to
7 Shasta Lake will be adjusted to eliminate the effect of such material
8 alterations. The United States will select the forecast to be used
9 and will submit the details of the forecast to the District. The
10 same forecasts used by the United States for the operation of the
11 Project shall be used to make the forecasts hereunder. Schedule 2
12 water made available by the United States for furnishing to the District
13 in accordance with the aforesaid schedule and not accepted by the
14 District shall be deemed to have been accepted by the District at the
15 time and in the quantities specified in said schedule.

16 (b) Commencing with the year following that in which this
17 contract is executed and each year thereafter during the remainder
18 of the term of this contract, the United States shall furnish to the
19 District and the District shall accept and pay for thirty-five thousand
20 three hundred (35,300) acre-feet of supplemental water from Mendota
21 Pool at the times and in the quantities specified in the schedule
22 submitted by the District in accordance with subdivision (a) of

1 Article 4 hereof: Provided, That the parties hereto may at any time
2 or times by mutual agreement increase or decrease the quantity of
3 supplemental water required thereafter to be furnished each year to
4 the District by the United States during the remaining years of the
5 term of this contract.

6 (c) To the extent that additional Project water is available,
7 as determined by the Contracting Officer, and in the event the District
8 in any year requires a quantity of supplemental water in addition to
9 the quantity it is obligated to accept and pay for, such additional
10 water shall be furnished by the United States in accordance with a
11 schedule revision submitted pursuant to Article 4. The furnishing
12 by the United States and acceptance by the District of such additional
13 quantities of water shall neither entitle nor obligate the District to
receive such quantities in subsequent years.

15 (d) If in any year, after the Contracting Officer has
16 approved a schedule or any revision thereof submitted by the District
17 pursuant to Article 4 hereof, the United States is unable to furnish
18 any portion of supplemental water in the quantities and at the times
19 requested in the schedule and the District does not elect to receive
20 and does not receive such water at other times during such year, the
21 District shall be entitled to an adjustment as provided in Article 6.

TIME FOR DELIVERY OF WATER

4. (a) Before January 1 of each year the District shall submit a schedule in writing to the Contracting Officer subject to the provisions of Article 3 hereof and satisfactory to the Contracting Officer, indicating the desired times and quantities for the delivery of all water pursuant to this contract during such year. In such schedule or revision thereof, the District may reallocate the quantities of Schedule 2 water for the months of February through June appearing in the applicable table in subdivision (a) of Article 3 hereof so long as the total for such months does not thereby exceed the total for such months in that table. Within the provisions hereof the United States shall attempt to deliver such water in accordance with said schedule or any revision thereof satisfactory to the Contracting Officer submitted by the District within a reasonable time before the desired change of times or quantities, or both, for delivery, subject to the provisions of subdivision (b) of Article 8 hereof; Provided, That the United States shall not be obligated to deliver water to the District during the months of December and January.

(b) With the written consent of the Contracting Officer the District may exchange supplemental water in any year with any other district which has contracted with the United States for water for irrigation from the Delta-Mendota Canal or Mendota Pool, or both,

1 of the Central Valley Project. No supplemental water shall be sold
2 or otherwise disposed of for use outside the District without the
3 written consent of the Contracting Officer.

4 RATE AND METHOD OF PAYMENT FOR WATER

5 5. (a) On or before December 15 of each year the Contracting
6 Officer shall furnish to the District written notice of the rate of
7 payment to be made by the District for supplemental water to be
8 delivered pursuant to this contract during the ensuing year, but in
9 no event shall the rate so announced be in excess of Three Dollars
10 and Fifty Cents (\$3.50) per acre-foot.

11 (b) The District shall make payments to the United States
12 each year at the rate fixed as provided in subdivision (a) of this
13 article for the quantity of supplemental water which the District is
14 required to accept and pay for during such year pursuant to the
15 provisions of Article 3 hereof. Prior to the delivery of supplemental
16 water but no later than February 15 the District shall pay one-
17 half (1/2) of the amount payable for said water scheduled for the
18 year and shall pay the remainder of the amount payable for said water
19 at the time the quantity of water furnished to the District equals the
20 quantity for which payment has been made, but in no event later than
21 July 1 or such other later date or dates of the respective year as
22 may be specified by the Contracting Officer in a written notice to

1 the District. Supplemental water requested by the District in excess
2 of the quantity it has scheduled shall be paid for in full at the
3 time or times such requests are made.

4 (c) In event the District is unable, fails, or refuses to
5 accept delivery of the quantities of water available for delivery to
6 and required to be accepted or paid by it pursuant to this contract
7 or in the event the District in any year fails to submit a schedule
8 for delivery as provided in subdivision (a) of Article 4 hereof,
9 said inability, failure, or refusal shall not relieve the District
10 of its obligation to pay for said water and the District agrees to
11 make payment therefor in the same manner as if said water had been
12 delivered to and accepted by it in accordance with this contract.

ADJUSTMENTS

14 6. The amount of any overpayment by the District by reason of
15 the quantity of supplemental water actually available for the District
16 during any year, as conclusively determined by the Contracting Officer,
17 having been less than the quantity of such water which the District
18 otherwise under the provisions of this contract would have been
19 required to receive and pay for shall be applied first to any accrued
20 indebtedness arising out of this contract then due and owing to the
21 United States by the District and any amount of such overpayment then
22 remaining shall, at the option of the District, be refunded to the

1 District or credited upon amounts to become due to the United States
2 from the District under the provisions hereof in the ensuing year.

3 POINTS OF DELIVERY, MAINTENANCE OF FLOWS AND LEVELS,
4 MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

5 7. (a) The water to be furnished to the District pursuant to
6 this contract shall be delivered from Mendota Pool at diversion
7 points mutually agreed upon by the Contracting Officer and the
8 District.

9 (b) All water furnished pursuant to this contract shall be
10 measured by the United States at the points of delivery established
11 pursuant to subdivision (a) of this article with equipment installed,
12 operated, and maintained by the United States. Upon the request of
13 the District the accuracy of such measurements shall be investigated
14 by the Contracting Officer and any errors appearing therein adjusted.

15 (c) The United States shall not be responsible for the
16 control, carriage, handling, use, disposal, or distribution of water
17 which may be furnished at the delivery points established pursuant
18 to subdivision (a) of this article, nor for claim of damage of any
19 nature whatsoever, including but not limited to property damage,
20 personal injury or death, arising out of or connected with the control,
21 carriage, handling, use, disposal, or distribution of such water beyond
22 such delivery points: Provided, that the United States reserves the
right to the use of all waste, seepage, and return-flow water derived

1 from supplemental water furnished to the District hereunder which
2 escapes or is discharged beyond the District's boundaries and nothing
3 herein shall be construed as an abandonment or a relinquishment by the
4 United States of the right to use any such water, but this shall not
5 be construed as claiming for the United States any right, as waste,
6 seepage, or return flow, to water being used pursuant to this contract
7 for surface irrigation or underground storage within the District's
8 boundaries by the District or those claiming by, through, or under
9 the District.

10 (d) The United States may temporarily discontinue or reduce
11 the quantity of water to be furnished to the District as herein provided
12 for the purpose of such investigation, inspection, maintenance, repair,
13 or replacement as may be reasonably necessary of any of the Project
14 facilities used for the furnishing of water to the District or any
15 part thereof, but so far as feasible the United States shall give the
16 District due notice in advance of such temporary discontinuance or
17 reduction, except in case of emergency, in which case no notice need
18 be given. In the event of any such discontinuance or reduction, upon
19 the resumption of service to the extent it may be possible to do so
20 and within the ability of the District to accept the same, the United
21 States shall deliver the quantity of water which would have been
22 furnished to the District in the absence of such contingency.

1 (e) The right to the beneficial use of supplemental water
2 furnished to the District pursuant to the terms of Article 3 and other
3 applicable provisions of this contract and any renewal thereof, insofar
4 as the renewal relates to the furnishing of water for agricultural use,
5 shall not be disturbed so long as the District shall fulfill all of
6 its obligations under this contract and any such renewal.

7 UNITED STATES NOT LIABLE FOR WATER SHORTAGE

8 8. (a) There may occur at times during any year a shortage in
9 the quantity of water available for furnishing to the District through
10 and by means of the Project, but in no event shall any liability accrue
11 against the United States or any of its officers, agents, or employees
12 for any damage, direct or indirect, arising from a shortage on account
13 of errors in operation, drought, or other causes. In any year in
14 which there may occur a shortage from any cause, the United States will
15 furnish Schedule 2 water in accordance with Article 3 hereof and reserves
16 the right to apportion the available supplemental water supply among the
17 District and others entitled under the then existing contracts to receive
18 water from the Delta-Mendota Canal or Mendota Pool, or both, in
19 accordance with conclusive determinations of the Contracting Officer,
20 as follows:

21 (1) A determination shall be made of the total quantity
22 of supplemental water agreed to be accepted during the respective

1 year under all contracts then in force for the delivery of water
2 from the Delta-Mendota Canal or Mendota Pool, or both, the
3 quantity so determined being hereinafter referred to as the
4 contractual commitments;

5 (ii) A determination shall be made of the total
6 quantity of water from the Delta-Mendota Canal or Mendota
7 Pool, or both, which is in excess of the quantity necessary
8 to meet the requirements of the Amended Contract for Exchange
9 of Waters, No. Ilr-1144, dated March 17, 1956, and which is
10 available for meeting the contractual commitments, the quantity
11 so determined being hereinafter referred to as the available
12 supply;

13 (iii) The total quantity of supplemental water agreed
14 to be furnished to the District by the United States during the
15 respective year under Article 3 hereof shall be divided by the
16 contractual commitments, the quotient thus obtained being herein-
17 after referred to as the District's contractual entitlement; and

18 (iv) The available supply shall be multiplied by the
19 District's contractual entitlement and the result shall be the
20 quantity of supplemental water required to be delivered by the
21 United States to the District for the respective year.

1 Insofar as determined by the Contracting Officer to be practicable,
2 in the event a shortage appears probable the United States shall
3 notify the District of such determination in advance of the irrigation
4 season.

5 (b) In the event that in any year there is delivered to
6 the District, by reason of any shortage or apportionment as provided
7 in subdivision (a) of this article or any discontinuance or reduction
8 of service as set forth in subdivision (d) of Article 7 hereof, less
9 than the quantity of supplemental water which the District otherwise
10 would be entitled to receive, there shall be made an adjustment on
11 account of the amounts paid to the United States by the District for
12 water for said year in a manner similar to that provided for in
13 Article 6 hereof. To the extent of such deficiency, such adjustment
14 shall constitute the sole remedy of the District or anyone having or
15 claiming to have by, through, or under the District the right to the
16 use of any of the water supply provided for herein.

17 (c) The rights of the District to supplemental water under
18 this contract are subject to the terms of the Amended Contract for
19 Exchange of Waters, No. Ilr-1144, dated March 17, 1956.

MUNICIPAL, INDUSTRIAL, AND DOMESTIC USE OF WATER
FURNISHED TO DISTRICT

9. (a) Supplemental water furnished in accordance with Article 3 of this contract is for agricultural use but may be furnished by the District for municipal, industrial, and domestic use subject to the terms and conditions hereinafter stated.

(b) Within thirty (30) days after a statement therefor has been furnished to the District by the United States, the District shall pay for the quantity of supplemental water so used for municipal, industrial, and domestic purposes at a rate per acre-foot equal to the difference between the rate paid for said water for agricultural use and Ten Dollars (\$10).

(c) Supplemental water furnished by the District pursuant to this article shall be measured by the District with equipment installed, operated, and maintained by the District. Said equipment and its installation, service, and use shall be approved by the Contracting Officer. The United States shall have full and reasonable access at all reasonable times to inspect said measuring equipment for the purpose of determining the accuracy and condition thereof, and any errors in measurement disclosed by said inspection shall be adjusted. If said facilities are found to be defective or inaccurate they shall be readjusted, repaired, or replaced by the District. In

1 the event the District neglects or fails to make such repairs or
2 replacements within a reasonable time as may be necessary to satisfy
3 the operating requirements of the Contracting Officer, the United
4 States may cause the repairs or replacements to be made and the costs
5 thereof charged to the District, which charge the District shall pay
6 to the United States before April 1 of the year following that in
7 which the cost was incurred and a statement thereof furnished by the
8 United States.

9 (d) The District shall maintain, in a manner satisfactory
10 to the Contracting Officer, records of the quantity of supplemental
11 water furnished for use pursuant to subdivision (a) of this article
12 and shall submit a report to the United States before the 7th day
13 of each month following the month in which water is so furnished
14 showing the quantities of water used.

15 (e) It is understood and agreed that use of water pursuant
16 to this article shall not be construed in any manner as to constitute
17 a right or commitment during the term of this contract or any renewal
18 thereof for delivery of water in addition to that provided pursuant
19 to Article 3 hereof.

20 QUALITY OF WATER

21 10. (a) The quality of water furnished under this contract shall
22 be the best that the United States, following its established operating

1 procedures, can deliver by means of the Delta-Mendota Canal and shall
2 be at all times suitable irrigation water for use upon the lands
3 served by the District. The fact that the requirements of such water
4 quality are herein stated only in terms of parts per million of total
5 dissolved solids should not be construed as meaning that this
6 particular measurement of water quality is the sole indication of
7 requisite water quality. The best data presently available on the
8 character of the possible sources of water supplying the Delta-Mendota
9 Canal indicate that as concentration changes there will be no signi-
10 ficant change in the character of the water with respect to the
11 proportions of the various constituents; however, if such water meets
the following specific requirements it shall be deemed conclusively
13 to be suitable irrigation water hereunder:

14 (1) Daily: The quality of water shall not exceed
15 a mean daily value of eight hundred (800) parts per million
16 of total dissolved solids. The mean daily values are to be
17 computed by weighting the instantaneous values on the basis
18 of time of occurrence during each day;

19 (11) Monthly: The quality of water shall not exceed
20 a mean monthly value of six hundred (600) parts per million of
21 total dissolved solids. The mean monthly value is to be computed

1 by weighting each mean daily value of total dissolved solids
2 on the basis of the quantity of water delivered each day of
3 the month;

4 (iii) Annual: The quality of water shall not exceed
5 a mean annual value during the year of four hundred and fifty
6 (450) parts per million of total dissolved solids. The mean
7 annual value is to be computed by weighting each mean daily
8 value of total dissolved solids on the basis of quantity of
9 water delivered each day of the year; and

10 (iv) Five-year: The average quality of water for
11 any five (5) consecutive years shall not exceed a mean value
12 of four hundred (400) parts per million of total dissolved
13 solids. The 5-year average shall be computed by weighting
14 each mean daily value of total dissolved solids on the basis
15 of quantity of water delivered each day of the five (5)
16 consecutive years ending with the current year.

17 (b) The quality of water delivered from the San Joaquin
18 River shall be determined at the present location of the Whitehouse
19 gaging station, and from the Delta-Mendota Canal shall be measured
20 by a salinity recorder as presently installed in said Canal. The
21 quality determination made at said gaging station and the rating of
22 said recorder shall be from bottle samples taken twice each month

1 from which total dissolved solids will be determined by chemical
2 analysis. When water is being delivered from the Delta-Mendota Canal
3 and from the San Joaquin River simultaneously, the quality of all
4 water so delivered shall be determined by computing the weighted
5 average quality of all water so delivered. All quality determinations
6 shall be made by the Contracting Officer.

7 DRAINAGE STUDIES AND FACILITIES

8 11. To aid in determining the source and solution of future
9 potential drainage problems the District shall, in a manner satis-
10 factory to the Contracting Officer, maintain a grid of observation wells
11 and shall furnish annually to the Contracting Officer during the term
12 of this contract and any renewal thereof records and analyses of well
13 readings as they relate to potential drainage problems. When a con-
14 tinuing rise in the ground water indicates the need therefor, the
15 District shall construct drainage works to protect the irrigability
16 of lands within the District.

17 WATER RIGHTS SETTLEMENT

18 12. Neither the District nor any landowner therein shall divert,
19 dispose of, or otherwise use San Joaquin water under any claims of
20 water rights so long as the United States delivers or is ready, able,
21 and willing to deliver to the District Schedule 2 water in accordance
22 with the terms of this contract. Performance by the United States

1 of its obligations hereunder with respect to the delivery of Schedule 2
2 water shall release the United States from liability with respect
3 to such claims.

4 ACCESS TO FRESNO SLOUGH

5 13. To the extent the District has the power to grant such use, the
6 United States may use the roads within the boundaries of the District
7 as the same may exist from time to time for ingress and egress to and
8 from Fresno Slough.

9 CHARGES A GENERAL OBLIGATION--LEVIES THEREFOR

10 14. (a) The District as a whole is obligated to pay to the
11 United States the charges becoming due as provided in this contract
12 notwithstanding the default in the payment to the District by individual
13 water users of assessments, tolls, or other charges levied by the
14 District.

15 (b) The District will cause to be levied and collected all
16 necessary assessments, tolls, and other charges, and will use all of
17 the authority and resources of the District to meet its obligations
18 hereunder.

19 ALL BENEFITS CONDITIONED UPON PAYMENT

20 15. Should any assessment or assessments required by the terms
21 of this contract and levied by the District against any tract of land
22 or water user in the District and necessary to meet the obligations

1 of the District thereunder be judicially determined to be irregular
2 or void, or should the District or its officers be enjoined or
3 restrained from making or collecting any assessments upon such land
4 or from such water user as provided for herein, then such tract shall
5 have no right to any supplemental water furnished to the District
6 pursuant to this contract, and no supplemental water made available
7 by the United States pursuant hereto shall be furnished for the
8 benefit of any such lands or water users, except upon the payment by
9 the landowner of his assessment or a toll charge for such water,
10 notwithstanding the existence of any contract between the District and
11 the owner or owners of such tract. Contracts, if any, between the
12 District and the water users involving supplemental water furnished
13 pursuant to this contract shall provide that such use shall be subject
14 to the terms of this contract. It is further agreed that the payment
15 of charges at the rate and upon the terms and conditions provided for
16 herein is a prerequisite to the right to the use of supplemental water
17 furnished to the District pursuant to this contract, and no irregularity
18 in levying taxes or assessments by the District nor lack of authority
19 in the District, whether affecting the validity of District taxes
20 or assessments or not, shall be held to authorize or permit any
21 water user of the District to demand supplemental water made available

1 pursuant to this contract, unless charges at the rate and upon the
2 terms and conditions provided therefor by the District have been
3 paid by such water user.

4 REFUSAL OF WATER IN CASE OF DEFAULT

5 16. No supplemental water shall be furnished to the District or
6 by the District to or for the use of any lands or parties therein during
7 any period in which the District may be in arrears in the advance payment
8 of charges accruing under this contract. No supplemental water shall be
9 furnished to or by the District pursuant to this contract for lands or
10 parties which are in arrears in the payment to the District of any
11 assessments, rates, tolls, or rental charges of the District levied or
12 established by the District and necessary for the purpose of raising
13 revenues to meet the payment by the District to the United States of
14 the District's obligation under this contract.

15 PENALTY FOR DELINQUENT PAYMENTS

16 17. The District shall pay a penalty on installments or charges
17 which become delinquent computed at the rate of one-half of one percent
18 per month of the amount of such delinquent installments or charges
19 for each day from the date of such delinquency until paid: Provided,
20 That no penalty shall be charged to the District unless such delinquency
21 continues for more than thirty (30) days.

1 BOOKS, RECORDS, AND REPORTS

2 18. The District shall establish and maintain accounts and other
3 books and records pertaining to its financial transactions, land use
4 and crop production, water use, and to such other matters as the
5 Contracting Officer may require. Reports thereon shall be furnished
6 to the United States in such form and on such date or dates as may be
7 required by the Contracting Officer. Each party shall have the right,
8 during office hours, to examine and make copies of the other party's
9 books and official records relating to matters covered by this contract.

10 CHANGES IN DISTRICT ORGANIZATION

11 19. (a) While this contract is in effect and excepting a total
12 of five hundred (500) acres of inclusions and exclusions, upon prior
13 notice to the Contracting Officer, no change shall be made in the District,
14 by inclusion or exclusion of lands, by dissolution, consolidation, or
15 merger or otherwise, except upon the Contracting Officer's written
16 consent thereto.

17 (b) In the event lands are annexed to or excluded from the
18 District as provided herein, the parties hereto may by supplemental
19 agreement increase or decrease the quantity of supplemental water which
20 is to be furnished by the United States to the District and which the
21 District is required to receive and pay for pursuant to this contract.

1 LANDS NOT TO RECEIVE WATER FURNISHED TO DISTRICT BY UNITED STATES
2 UNTIL OWNERS THEREOF EXECUTE CERTAIN CONTRACTS

3 20. (a) No supplemental water made available pursuant to this
4 contract shall be furnished to any excess lands as defined in Article 22
5 hereof unless the owners thereof shall have executed valid recordable
6 contracts in form prescribed by the United States, agreeing to the
7 provisions of this article and Articles 21 and 22 of this contract;
8 agreeing to the appraisal provided for in Article 21 hereof and that
9 such appraisal shall be made on the basis of the actual bona fide
10 value of such lands at the date of the appraisal without reference
11 to the construction of the Project, all as hereinafter provided, and
12 agreeing to the sale of such excess lands under terms and conditions
13 satisfactory to the Secretary and at prices not to exceed those fixed
14 as hereinafter provided. No sale of any excess lands shall carry the
15 right to receive supplemental water made available pursuant to this
16 contract unless and until the purchase price involved in such sale is
17 approved by the Contracting Officer and upon proof of fraudulent repre-
18 sentation as to the true consideration involved in such sales, the
19 United States may instruct the District by written notice to refuse
20 to furnish any supplemental water subject to this contract to the
21 land involved in such fraudulent sales, and the District thereafter
22 shall not furnish said water to such lands.

1 (b) If supplemental water furnished to the District pursuant
2 to this contract reaches the underground strata of excess land owned
3 by a large landowner, as defined in subdivision (a) of Article 22
4 hereof, who has not executed a recordable contract and the large
5 landowner pumps such supplemental water from the underground, the
6 District will not be deemed to have furnished such water to said lands
7 within the meaning of this contract if such water reached the under-
8 ground strata of the aforesaid excess land as an unavoidable result
9 of the furnishing of supplemental water by the District to nonexcess
10 lands or to excess lands with respect to which a recordable contract
11 has been executed.

12 VALUATION AND SALE OF EXCESS LANDS

13 21. (a) The value of the excess irrigable lands within the
14 District held in private ownership of large landowners as defined in
15 the next succeeding article hereof, for the purposes of this contract,
16 shall be appraised in a manner to be prescribed by the Secretary. At
17 the option of a large landowner, however, the value of such land may
18 be appraised, subject to the approval thereof by the Secretary, by
19 three appraisers. One of said appraisers shall be designated by the
20 Secretary and one shall be designated by the District and the two
21 appraisers so appointed shall name the third. If the appraisers
22 so designated by the Secretary and the District are unable to agree

1 upon the appointment of the third, the Presiding Justice of the
2 Fifth District Court of Appeal of the State of California shall be
3 requested to designate the third appraiser.

4 (b) The following principles shall govern the appraisal:

5 (i) No value shall be given such lands on account of
6 the existing or prospective possibility of securing supplemental
7 water from the Project;

8 (ii) The value of improvements on the land at the
9 time of said appraisal shall be included therein, but also shall
10 be set forth separately in such appraisal.

11 (c) The excess land of any large landowner shall be reappraised
12 at the instance of the United States or at the request of said landowner.
13 The cost of the first two appraisals of each tract of excess land shall
14 be paid by the United States. The cost of each appraisal thereafter
15 shall be paid by the party requesting such appraisal.

16 (d) Any improvements made or placed on the appraised land
17 after the appraisal hereinabove provided for prior to sale of the land
18 by a large landowner shall be appraised in like manner.

19 (e) Excess irrigable lands sold by large landowners within
20 the District shall not carry the right to receive supplemental water
21 made available pursuant to this contract for such lands and the District
22 agrees to refuse to furnish such water to lands so sold until, in

1 addition to compliance with the other provisions hereof, a verified
2 statement showing the sale price upon any such sale shall have been
3 filed with the District and said sale price is not in excess of the
4 appraised value fixed as provided herein.

5 (f) The District agrees to take all reasonable steps requested
6 by the Contracting Officer to ascertain the occurrence and conditions of
7 all sales of irrigable land of large landowners in the District made
8 subsequent to the execution of this contract and to inform the United
9 States concerning the same.

10 (g) A true copy of this contract, of each recordable contract
11 executed pursuant to this article and Articles 20 and 22 hereof, and of
12 each appraisal made pursuant thereto shall be furnished to the District
13 by the United States and shall be maintained on file in the office of
14 the District and like copies in such offices of the Bureau of Reclamation
15 as may be designated by the Contracting Officer and shall be made avail-
16 able for examination during the usual office hours by all persons who
17 may be interested therein.

18 EXCESS LANDS

19 22. (a) As used herein the term "excess land" means that part
20 of the irrigable land within the District in excess of one hundred and
21 sixty (160) acres held in the beneficial ownership of any single person;
22 or in excess of three hundred and twenty (320) acres held in the

1 beneficial ownership of husband and wife jointly, as tenants in common
2 or by the entirety, or as community property. The term "large land-
3 owner" means an owner of excess lands and the term "nonexcess land"
4 means all irrigable land within the District which is not excess land
5 as defined herein.

6 (b) Each large landowner as a further condition precedent
7 to the right to receive supplemental water made available pursuant to
8 this contract for any of his excess land shall:

9 (1) Before any supplemental water is furnished by the
10 District to his excess land, execute a valid recordable contract
11 in form prescribed by the United States, agreeing to the provisions
12 contained in this article and Articles 20 and 21 hereof and agreeing
13 to dispose of his excess land in accordance therewith to persons
14 who can take title thereto as nonexcess land as herein provided
15 and at a price not to exceed the approved, appraised value of
16 such excess land and within a period of ten (10) years after the
17 date of the execution of said recordable contract and agreeing
18 further that if said land is not so disposed of within said
19 period of ten (10) years, the Secretary shall have the power
20 to dispose of said land at the appraised value thereof fixed
21 as provided herein or such lower price as may be approved by
22 the owner of such land, subject to the same conditions on behalf

1 of such large landowner; and the District agrees that it will
2 refuse to furnish said water to any large landowner other than
3 for his nonexcess land until such owner meets the conditions
4 precedent herein stated;

5 (ii) Within thirty (30) days after the date of notice
6 from the United States requesting such large landowner to designate
7 his irrigable lands within the District which he desires to
8 designate as nonexcess lands, file in the office of the District,
9 in duplicate, one copy thereof to be furnished by the District
10 to the Bureau of Reclamation, his written designation and description
11 of lands so selected to be nonexcess land and upon failure to do
12 so the District shall make such designation and mail a notice
13 thereof to such large landowner, and in the event the District
14 fails to act within such period of time as the Contracting Officer
15 considers reasonable, such designation will be made by the Contracting
16 Officer, who will mail a notice thereof to the District and the
17 large landowner. The large landowner shall become bound by any
18 such action on the part of the District or the Contracting Officer
19 and the District will furnish said water only to the land so
20 designated to be nonexcess land. A large landowner may, with
21 the consent of the Contracting Officer, designate land other
22 than that previously designated as nonexcess land: Provided,

1 That an equal acreage of the land previously designated as non-
2 excess shall, upon such new designation, become excess land
3 thereafter subject to the provisions of this article and Articles 20
4 and 21 of this contract and shall be described in an amendment
5 of such recordable contract as may have been executed by the large
6 landowner in the same manner as if such land had been excess land
7 at the time of the original designation.

8 AMENDMENT OF FEDERAL RECLAMATION LAWS

9 23. In the event that the Congress of the United States repeals
10 the so-called excess-land provisions of the Federal reclamation laws,
11 Articles 20, 21, and 22 of this contract will no longer be of any
12 force or effect, and, in the event that the Congress amends the excess-
13 land provisions or other provisions of the Federal reclamation laws,
14 the United States agrees, at the option of the District, to negotiate
15 amendments of appropriate articles of this contract, all consistently
16 with the provisions of such repeal or amendment.

17 WATER ACQUIRED BY DISTRICT OTHER THAN FROM THE UNITED STATES

18 24. (a) Supplemental water furnished pursuant to the terms of
19 this contract may be transported by means of the same distribution
20 facilities as Schedule 2 water and other water now available or which
21 may become available to the District or landowners within the District
22 other than pursuant to the terms of this contract for the reason that

1 the Contracting Officer has determined that such mingling is neces-
2 sary to avoid a duplication of facilities; notwithstanding such mingling
3 of water, the provisions of this contract relating to supplemental
4 water shall be applicable to the quantity of supplemental water furnished
5 to the District pursuant to the terms hereof, but such mingling of water
6 shall not in any manner subject to the provisions of this contract
7 relating to supplemental water any Schedule 2 water or any other quantity
8 of water acquired by or available to the District or landowners within
9 the District other than from the United States.

10 (b) With respect to the distribution facilities or portions
11 thereof in which mingling is permitted as provided in subdivision (a)
12 hereof, the District:

13 (1) Will be responsible for the operation and maintenance
14 of separate outlets from the distribution system for nonexcess and
15 excess lands as defined in Article 22 hereof. At the request of
16 the Contracting Officer, the District will be responsible for
17 the installation, operation, and maintenance of water-measuring
18 equipment at delivery points to excess lands and, further, will
19 be responsible for the installation, operation, and maintenance
20 of similar equipment for measuring the water available to the
21 District or landowners within the District other than supplemental
22 water and the Contracting Officer may check and inspect said
3 equipment at any time;

1 (ii) Agrees that the quantity of supplemental water
2 furnished to it by the United States during each 24-hour period
3 will be delivered by the District only to eligible land through
4 aforesaid outlets to eligible lands. The District shall be deemed
5 to be in breach of this article and Articles 20, 21, and 22 of
6 this contract if at any time there is furnished to all excess
7 lands not covered by recordable contracts and served by the
8 distribution facilities or portions thereof in which mingling
9 is permitted, a quantity of water which is greater than the
10 Schedule 2 water and that which the District or landowners within
11 the District have introduced into said system from the supply
12 available other than pursuant to this contract. For purposes of
13 this article only, the quantity of Schedule 2 water for each 24-hour
14 period in any month shall be derived by dividing the Schedule 2
15 water for that month by the number of days in that month: Provided,
16 That in August and September the District may schedule releases
17 in specific quantities of supplemental water and Schedule 2 water
18 within the entitlements for each month.

19 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

20 25. The expenditure of any money or the performance of any work
21 by the United States hereunder which may require appropriation of money
22 by the Congress or the allotment of funds shall be contingent upon such

1 appropriation or allotment being made. The failure of the Congress so
2 to appropriate funds or the absence of an allotment of funds shall not
3 relieve the District from any obligations then accrued under this
4 contract and no liability shall accrue to the United States in case
5 such funds are not appropriated or allotted.

6 OFFICIALS NOT TO BENEFIT

7 26. (a) No Member of or Delegate to Congress or Resident
8 Commissioner shall be admitted to any share or part of this contract or
9 to any benefit that may arise herefrom, but this restriction shall not
10 be construed to extend to this contract if made with a corporation or
11 company for its general benefit.

12 (b) No official of the District shall receive any benefit
13 that may arise by reason of this contract other than as a landowner
14 within the District and in the same manner as other landowners within
15 the District.

16 NOTICES

17 27. (a) Any notice authorized or required to be given to the
18 United States shall be deemed to have been given when mailed, postage
19 prepaid, or delivered to the Regional Director, Region 2, Bureau of
20 Reclamation, Post Office Box 2511, Sacramento, California. Any notice
21 authorized or required to be given to the District shall be deemed to
22 have been given when mailed in a postage-prepaid or franked envelope,

1 or delivered to the James Irrigation District, Post Office Box 787,
2 San Joaquin, California. This article shall not preclude the effective
3 service of any such notice or announcement by other means.

4 (b) The designation of the addressee or the address given
5 above may be changed by notice given in the same manner as provided in
6 this article for other notices.

7 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

8 28. The provisions of this contract shall apply to and bind the
9 successors and assigns of the parties hereto, but no assignment or
10 transfer of this contract or any part or interest therein shall be
11 valid until approved by the Secretary.

12 REMEDIES UNDER CONTRACT NOT EXCLUSIVE--WAIVERS

13 29. Nothing contained in this contract shall be construed as in
14 in any manner abridging, limiting, or depriving the United States
15 of any means of enforcing any remedy, either at law or in equity, for
16 the breach of any of the provisions hereof which it would otherwise
17 have. Any waiver at any time by either party to this contract of its
18 rights with respect to a default, or any matter arising in connection
19 with this contract, shall not be deemed to be a waiver with respect
20 to any subsequent default or matter.

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1 of Directors and of the District leading up to and including the
2 making of this contract and the validity of the provisions thereof;
3 and this contract shall not be binding on the United States until
4 said District organization, proceedings, and contract shall have been
5 so confirmed by a court of competent jurisdiction or pending appellate
6 action in any court if ground for appeal be laid: Provided, That
7 nothing herein contained shall require the District to assume the
8 responsibility of prosecuting judicial review beyond the highest court
9 of the State of California.

10 IN WITNESS WHEREOF, the parties hereto have executed this
11 contract the day and year first above written.

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APPROVED AS TO LEGAL
FORM AND SUFFICIENCY

Conrad Anderson
ASSISTANT REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

THE UNITED STATES OF AMERICA

By *W. B. Pappas*
Regional Director, Region 2
Bureau of Reclamation

JAMES IRRIGATION DISTRICT

(SEAL) Effixed

By *Harold Hale*
President

ATTEST:

Don H. Wright
Secretary

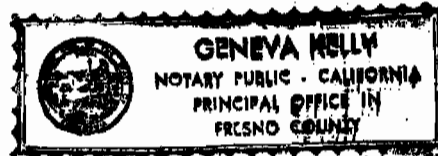
STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.

On this 23rd day of December, 1963, before me, GENEVA KELLY, a Notary Public in and for said county and state, residing therein, duly commissioned and sworn, personally appeared R. J. PAFFORD, JR., known to me to be the Regional Director, Region 2, Bureau of Reclamation, Department of the Interior of THE UNITED STATES OF AMERICA, which executed the within CONTRACT PROVIDING FOR WATER SERVICE AND FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS, and known to me to be the person who executed the within contract on behalf of The United States of America, and acknowledged to me that The United States of America executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Geneva Kelly

My Commission Expires:
June 11, 1965



* * *

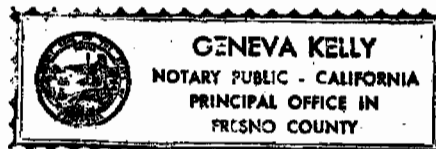
STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.

On this 23rd day of December, 1963, before me, GENEVA KELLY, a Notary Public in and for said county and state, residing therein, duly commissioned and sworn, personally appeared Harold Hale, known to me to be the President, and Don A. Wright, known to me to be the Secretary of JAMES IRRIGATION DISTRICT, the district that executed the within CONTRACT PROVIDING FOR WATER SERVICE AND FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS, and known to me to be the persons who executed the within contract on behalf of the district therein named, and acknowledged to me that such district executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Geneva Kelly

My Commission Expires:
June 11, 1965



RESOLUTION
OF THE BOARD OF DIRECTORS OF
JAMES IRRIGATION DISTRICT
APPROVING AND AUTHORIZING EXECUTION
OF CONTRACT WITH THE UNITED STATES OF
AMERICA PROVIDING FOR WATER SERVICE
AND ADJUSTMENT AND SETTLEMENT
OF CERTAIN CLAIMED WATER RIGHTS

WHEREAS, the James Irrigation District is in need of supplemental irrigation water for the lands served by the District and in need of a more reliable and regular source of delivery of irrigation waters to the District than now exists, all over and above and in addition to the ground water sources of supply available to the District by pumping; and

WHEREAS, the irrigation water rights of the District on the Kings River and the storage thereof are in amounts irregular and inconsistent annually and impracticable of efficient delivery to the District; and

WHEREAS, the United States has offered to supply to the said District, for a period of forty (40) years, supplemental water, in more regular and consistent amounts annually, at a reasonable price, partly in lieu of the District's Kings River supplies and partly in supplement to the entire District water resources; and

WHEREAS, concurrently herewith, the District is renting to other entities on the Kings River, for a period of forty (40) years, the Kings River water and storage rights of the District, for the same price and terms being offered by the United States, but for quantities of said Kings River water rights undiminished by the losses of delivery incurred by this District when using same; and

WHEREAS, the District and lands therein has heretofore had certain riparian rights on the San Joaquin River, which the United States desires to acquire permanently and divert elsewhere and, in exchange therefor, the United States offers to provide free an equivalent annual supply of water at the Mendota Pool, adjacent to the District, and a permanent exchange of water rights; and

WHEREAS, the electorate of this District has approved that certain contract offered by the United States providing for said supplemental water and said exchange of water rights,

which is entitled as follows:

CONTRACT BETWEEN THE UNITED STATES OF AMERICA
AND THE JAMES IRRIGATION DISTRICT PROVIDING FOR
WATER SERVICE AND FOR ADJUSTMENT AND SETTLEMENT
OF CERTAIN CLAIMED WATER RIGHTS. R.O. Draft
11/4-1963, Rev. W.O. 11/15-1963;

and

WHEREAS, the California Districts Securities
Commission has also approved the execution of said proposed
contract with the United States, by the James Irrigation
District; and

WHEREAS, it appears to be in the best interests of
the District to enter into and execute said contract,

NOW, THEREFORE, BE IT RESOLVED: That the President
and Secretary of this Board be, and they are hereby authorized
and instructed to execute, on behalf of said District, that
certain contract above described with the United States Depart-
ment of the Interior Bureau of Reclamation, and to affix the
seal of the District thereto, and to deliver such executed
contract to the Contracting Authority for the United States
for their concurrent execution thereof on behalf of the United
States.

PASSED AND ADOPTED this 16th day of December, 1963,
by the following vote, to-wit:

AYES: Three

NOES: None


ABSENT: Two

--- ooo ---

CERTIFICATE OF SECRETARY

I HEREBY CERTIFY that I am the duly appointed, qualified and acting Secretary of James Irrigation District and that the foregoing Resolution was duly adopted at a meeting of the Board of Directors of this Company duly and regularly held at San Joaquin, California, on the 16th day of December, 1963, at which time a quorum of said Board of Directors was at all times present and acting; and that said Resolution has not been rescinded or amended, in whole or in part, but remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said District this 18th day of December, 1963.


Donald Wright, Secretary of
James Irrigation District.

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

4 LONG-TERM RENEWAL CONTRACT BETWEEN THE UNITED STATES
5 AND
6 JAMES IRRIGATION DISTRICT
7 PROVIDING FOR PROJECT WATER SERVICE
8 FROM DELTA DIVISION

9 THIS CONTRACT, made this 25th day of February, 2005, in pursuance
10 generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto,
including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and
12 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat.
13 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat.
14 3050), as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
15 hereinafter referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA,
16 hereinafter referred to as the United States, and JAMES IRRIGATION DISTRICT, hereinafter
17 referred to as the Contractor, a public agency of the State of California, duly organized, existing, and
18 acting pursuant to the laws thereof;

19 WITNESSETH, That:

EXPLANATORY RECITALS

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

[2nd] WHEREAS, the United States constructed the Delta-Mendota Canal and related facilities, 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 Contractor and the United States entered into Contract No. 14-06-200-700-A, dated December 23, 1963, which established terms for the delivery of 9,700 acre-feet of Schedule 2 water as a permanent adjustment and settlement of the Contractor's asserted claims of rights to water in Fresno Slough, tributary to the San Joaquin River in fulfillment of such rights; and

[5th] WHEREAS, Schedule 2 water is not the subject of this Contract and will continue to be delivered and administered under the terms and conditions of Contract No. 14-06-200-700-A; and

[5.1] WHEREAS, Contract No. 14-06-200-700-A also established the terms for the delivery

of 35,300 acre-feet of supplemental water, hereinafter referred to as Project Water, to the Contractor from Delta Division facilities from December 23, 1963, through December 23, 2003; and

[5.2] WHEREAS, the Contractor and the United States have pursuant to subsection 3404(c)(1) of the Central Valley Project Improvement Act (CVPIA), subsequently entered into interim renewal contract(s) identified as Contract No(s). 14-06-200-700-A-IR1 and 14-06-200-700-A-IR2, the current of which is hereinafter referred to as the Existing Contract, which provided for the delivery of Project Water to the Contractor from March 1, 2004, through February 28, 2006; and

[6th] WHEREAS, Section 3404(c) of the CVPIA provides for long-term renewal of the Existing Contract following completion of appropriate environmental documentation, including a programmatic environmental impact statement (PEIS) pursuant to the National Environmental Policy Act (NEPA) analyzing the direct and indirect impacts and benefits of implementing the CVPIA and the potential renewal of all existing contracts for Project Water; and

[7th] WHEREAS, the United States has completed the PEIS and all other appropriate environmental review necessary to provide for long-term renewal of the terms and conditions for Project Water service under the Existing Contract; and

[8th] WHEREAS, the Contractor has requested a long-term renewal contract for Project Water service, pursuant to the terms of the Existing Contract, Federal Reclamation law, and the laws of the State of California; and

[9th] WHEREAS, the United States has determined that the Contractor has fulfilled all of its obligations under the Existing Contract; and

9 [10th] WHEREAS, the Contractor has demonstrated to the satisfaction of the Contracting

61 Officer that the Contractor has utilized the Project Water supplies available to it for reasonable and
62 beneficial use and/or has demonstrated projected future demand for water use such that the Contractor
63 has the capability and expects to utilize fully for reasonable and beneficial use the quantity of Project
64 Water to be made available to it pursuant to this Contract; and

65 [11th] WHEREAS, water obtained from the Project has been relied upon by urban and
66 agricultural areas within California for more than 50 years, and is considered by the Contractor as an
67 essential portion of its water supply; and

68 [12th] WHEREAS, the economies of regions within the Project, including the Contractor's,
69 depend upon the continued availability of water, including water service from the Project; and

70 [13th] WHEREAS, the Secretary intends through coordination, cooperation, and partnerships
71 to pursue measures to improve water supply, water quality, and reliability of the Project for all Project
72 purposes; and

73 [14th] WHEREAS, the mutual goals of the United States and the Contractor include: to
74 provide for reliable Project Water supplies; to control costs of those supplies; to achieve repayment of
75 the Project as required by law; to guard reasonably against Project Water shortages; to achieve a
76 reasonable balance among competing demands for use of Project Water; and to comply with all
77 applicable environmental statutes, all consistent with the legal obligations of the United States
78 relative to the Project; and

79 [15th] WHEREAS, the parties intend by this Contract to develop a more cooperative
80 relationship in order to achieve their mutual goals; and

1 [15.1] WHEREAS, the Contractor has utilized or may utilize transfers, contract assignments,
82 rescheduling and conveyance of Project Water and non-Project water under this Contract as tools to
83 minimize the impacts of Conditions of Shortage and to maximize the beneficial use of water; and

84 [15.2] WHEREAS, the parties desire and intend that this Contract not provide a disincentive
85 to the Contractor in continuing to carry out the beneficial activities set out in the Explanatory Recital
86 immediately above; and

87 [16th] WHEREAS, the United States and the Contractor are willing to enter into this
88 Contract pursuant to Federal Reclamation law on the terms and conditions set forth below;

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

91 DEFINITIONS

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

94 (a) "Calendar Year" shall mean the period January 1 through December 31, both
95 dates inclusive;

96 (b) "Charges" shall mean the payments required by Federal Reclamation law in
97 addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually
98 by the Contracting Officer pursuant to this Contract;

99 (c) "Condition of Shortage" shall mean a condition respecting the Project during
100 any Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract

101 Total;

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

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

106 (f) "Contractor's Service Area" shall mean the area to which the Contractor is
107 permitted to provide Project Water under this Contract as described in Exhibit "A" attached hereto,
108 which may be modified from time to time in accordance with Article 35 of this Contract without
109 amendment of this Contract;

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

2 (g.1) "Delta Division Facilities" shall mean those existing and future Project
113 facilities in and south of the Sacramento-San Joaquin Rivers Delta, including, but not limited to, the
114 Tracy Pumping Plant, the O'Neill Forebay, the O'Neill Pumping/Generating Plant, and the San Luis
115 Reservoir, used to divert, store, and convey water to those Project Contractors entitled to receive
116 water conveyed through the Delta-Mendota Canal.

117 (h) "Eligible Lands" shall mean all lands to which Irrigation Water may be
118 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982 (96
119 Stat. 1263), as amended, hereinafter referred to as RRA;

9 (i) "Excess Lands" shall mean all lands in excess of the limitations contained in

121 Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal
122 Reclamation law;

123 (j) "Full Cost Rate" shall mean an annual rate, as determined by the Contracting
124 Officer that shall amortize the expenditures for construction properly allocable to the Project
125 irrigation or M&I functions, as appropriate, of facilities in service including all O&M deficits funded,
126 less payments, over such periods as may be required under Federal Reclamation law, or applicable
127 contract provisions. Interest will accrue on both the construction expenditures and funded O&M
128 deficits from October 12, 1982, on costs outstanding at that date, or from the date incurred in the case
129 of costs arising subsequent to October 12, 1982, and shall be calculated in accordance with
130 subsections 202(3)(B) and (3)(C) of the RRA. The Full Cost Rate includes actual operation,
131 maintenance, and replacement costs consistent with Section 426.2 of the Rules and Regulations for
132 the RRA;

133 (k) "Ineligible Lands" shall mean all lands to which Irrigation Water may not be
134 delivered in accordance with Section 204 of the RRA;

135 (l) "Irrigation Full Cost Water Rate" shall mean the Full Cost Rate applicable to
136 the delivery of Irrigation Water;

137 (m) "Irrigation Water" shall mean Project Water that is used primarily in the
138 production of agricultural crops or livestock, including domestic use incidental thereto, and watering
139 of livestock;

0 (n) "Landholder" shall mean a party that directly or indirectly owns or leases

141 nonexempt land, as provided in 43 CFR 426.2;

142 (o) "Municipal and Industrial (M&I) Water" shall mean Project Water, other than

143 Irrigation Water, made available to the Contractor. M&I Water shall include water used for human

144 use and purposes such as the watering of landscaping or pasture for animals (e.g., horses) which are

145 kept for personal enjoyment or water delivered to landholdings operated in units of less than five

146 acres unless the Contractor establishes to the satisfaction of the Contracting Officer that the use of

147 water delivered to any such landholding is a use described in subdivision (m) of this Article;

148 (p) "M&I Full Cost Water Rate" shall mean the Full Cost Rate applicable

149 to the delivery of M&I Water;

150 (q) "Operation and Maintenance" or "O&M" shall mean normal and reasonable

151 care, control, operation, repair, replacement (other than capital replacement), and maintenance of

152 Project facilities;

153 (r) "Operating Non-Federal Entity" shall mean the entity(ies), its (their) successors

154 or assigns, which has (have) the obligation to operate and maintain all or a portion of the Delta

155 Division Facilities pursuant to a written agreement(s) with the United States. When this Contract was

156 entered into, the Operating Non-Federal Entity(ies) was (were) the San Luis & Delta-Mendota Water

157 Authority;

158 (s) "Project" shall mean the Central Valley Project owned by the United States and

159 managed by the Department of the Interior, Bureau of Reclamation;

(t) "Project Contractors" shall mean all parties who have water service contracts

for Project Water from the Project with the United States pursuant to Federal Reclamation law;

(u) "Project Water" shall mean all water that is developed, diverted, stored, or

delivered by the Secretary in accordance with the statutes authorizing the Project and in accordance

with the terms and conditions of water rights acquired pursuant to California law; however, Schedule

2 Water shall not be considered Project Water for purposes of this Contract;

(v) "Rates" shall mean the payments determined annually by the Contracting

Officer in accordance with the then current applicable water ratesetting policies for the Project, as

described in subdivision (a) of Article 7 of this Contract;

(w) "Recent Historic Average" shall mean the most recent five-year average of the

final forecast of Water Made Available to the Contractor pursuant to this Contract or its preceding

contract(s);

(w.1) "Schedule 2 Water" shall mean that water as so defined under Contract

No. 14-06-200-700-A with the United States, which will continue to be delivered and administered

under said contract;

(x) "Secretary" shall mean the Secretary of the Interior, a duly appointed successor,

or an authorized representative acting pursuant to any authority of the Secretary and through any

agency of the Department of the Interior;

(y) "Tiered Pricing Component" shall be the incremental amount to be paid for

each acre-foot of Water Delivered as described in subdivision (j) of Article 7 of this Contract;

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

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

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

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

TERM OF CONTRACT

2. (a) This Contract shall be effective March 1, 2005, through February 28, 2030, and supersedes Contract No. 14-06-200-700-A-IR2. In the event the Contractor wishes to renew this Contract beyond February 28, 2030, the Contractor shall submit a request for renewal in writing to the Contracting Officer no later than two years prior to the date this Contract expires. The renewal of this Contract insofar as it pertains to the furnishing of Irrigation Water to the Contractor shall be governed by subdivision (b) of this Article, and the renewal of this Contract insofar as it pertains to the furnishing of M&I Water to the Contractor shall be governed by subdivision (c) of this Article.

(b) (1) Under terms and conditions of a renewal contract that are mutually agreeable to the parties hereto, and upon a determination by the Contracting Officer that at the time of contract renewal the conditions set forth in subdivision (b)(2) of this Article are met, and subject to

Federal and State law, this Contract, insofar as it pertains to the furnishing of Irrigation Water to the Contractor, shall be renewed for a period of 25 years.

(2) The conditions which must be met for this Contract to be renewed are:

(i) the Contractor has prepared a water conservation plan that has been determined by the Contracting Officer in accordance with Article 26 of this Contract to meet the conservation and efficiency criteria for evaluating such plans established under Federal law; (ii) the Contractor is implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan as required by Article 26 of this Contract; (iii) the Contractor is operating and maintaining all water measuring devices and implementing all water measurement methods as approved by the Contracting Officer pursuant to Article 6 of this Contract; (iv) the Contractor has reasonably and beneficially used the Project Water supplies made available to it and, based on projected demands, is reasonably anticipated and expects to fully utilize for reasonable and beneficial use the quantity of Project Water to be made available to it pursuant to such renewal; (v) the Contractor is complying with all terms and conditions of this Contract; and (vi) the Contractor has the physical and legal ability to deliver Project Water.

198 (3) The terms and conditions of the renewal contract described in
199 subdivision (b)(1) of this Article and any subsequent renewal contracts shall be developed consistent
200 with the parties' respective legal rights and obligations, and in consideration of all relevant facts and
201 circumstances, as those circumstances exist at the time of renewal, including, without limitation, the
202 Contractor's need for continued delivery of Project Water; environmental conditions affected by
203 implementation of the Contract to be renewed, and specifically changes in those conditions that

4 occurred during the life of the Contract to be renewed; the Secretary's progress toward achieving the
205 purposes of the CVPIA as set out in Section 3402 and in implementing the specific provisions of the
206 CVPIA; and current and anticipated economic circumstances of the region served by the Contractor.

207 (c) This Contract, insofar as it pertains to the furnishing of M&I Water to the
208 Contractor, shall be renewed for successive periods of up to 40 years each, which periods shall be
209 consistent with the then-existing Reclamation-wide policy, under terms and conditions mutually
210 agreeable to the parties and consistent with Federal and State law. The Contractor shall be afforded
211 the opportunity to comment to the Contracting Officer on the proposed adoption and application of
212 any revised policy applicable to the delivery of M&I Water that would limit the term of any
213 subsequent renewal contract with the Contractor for the furnishing of M&I Water to less than 40
214 years.

5 (d) The Contracting Officer shall make a determination ten years after the date of
216 execution of this Contract, and every five years thereafter during the term of this Contract, of whether
217 a conversion of the relevant portion of this Contract to a contract under subsection 9(d) of the
218 Reclamation Project Act of 1939 can be accomplished pursuant to the Act of July 2, 1956 (70 Stat
219 483). The Contracting Officer shall also make a determination ten years after the date of execution of
220 this Contract and every five years thereafter during the term of this Contract of whether a conversion
221 of the relevant portion of this Contract to a contract under subsection 9(c)(1) of the Reclamation
222 Project Act of 1939 can be accomplished. Notwithstanding any provision of this Contract, the
223 Contractor reserves and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat. 483).
224 The Contracting Officer anticipates that during the term of this Contract, all authorized Project

5 construction expected to occur will have occurred, and on that basis the Contracting Officer agrees
226 upon such completion to allocate all costs that are properly assignable to the Contractor, and agrees
227 further that, at any time after such allocation is made, and subject to satisfaction of the condition set
228 out in this subdivision, this Contract shall, at the request of the Contractor, be converted to a contract
229 under subsection 9(d) or 9(c)(1), whichever is applicable, of the Reclamation Project Act of 1939,
230 subject to applicable Federal law and under stated terms and conditions mutually agreeable to the
231 Contractor and the Contracting Officer. A condition for such conversion to occur shall be a
232 determination by the Contracting Officer that, account being taken of the amount credited to return by
233 the Contractor as provided for under Federal Reclamation law, the remaining amount of construction
234 costs assignable for ultimate return by the Contractor can probably be repaid to the United States
235 within the term of a contract under subsection 9(d) or 9(c)(1), whichever is applicable. If the
5 remaining amount of costs that are properly assignable to the Contractor cannot be determined during
237 the term of this Contract, the Contracting Officer shall notify the Contractor, and provide the
238 reason(s) why such a determination could not be made. Further, the Contracting Officer shall make
239 such a determination as soon thereafter as possible so as to permit, upon request of the Contractor and
240 satisfaction of the conditions set out above, conversion to a contract under subsection 9(d) or 9(c)(1),
241 whichever is applicable. In the event such determination of costs has not been made at a time which
242 allows conversion of this Contract during the term of this Contract or the Contractor has not
243 requested conversion of this Contract within such term, the parties shall incorporate in any
244 subsequent renewal contract as described in subdivision (b) of this Article a provision that carries
245 forth in substantially identical terms the provisions of this subdivision.

5 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

247 3. (a) During each Year, consistent with all applicable State water rights, permits,
248 and licenses, Federal law, and subject to the provisions set forth in Articles 11 and 12 of this
249 Contract, the Contracting Officer shall make available for delivery to the Contractor 35,300 acre-feet
250 of Project Water for irrigation and M&I purposes. Water Delivered to the Contractor in accordance
251 with this subdivision shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of
252 this Contract. Schedule 2 water shall continue to be delivered to the Contractor at no cost pursuant
253 to Contract No. 14-06-200-700-A, dated December 23, 1963, and shall not be subject to the
254 provisions of this Contract, and said Contract No. 14-06-200-700-A shall be in full force and effect
255 insofar as it pertains to the furnishing of Schedule 2 water.

256 (b) Because the capacity of the Project to deliver Project Water has been
257 constrained in recent years and may be constrained in the future due to many factors including
258 hydrologic conditions and implementation of Federal and State laws, the likelihood of the Contractor
259 actually receiving the amount of Project Water set out in subdivision (a) of this Article in any given
260 Year is uncertain. The Contracting Officer's modeling referenced in the PEIS projected that the
261 Contract Total set forth in this Contract will not be available to the Contractor in many years. During
262 the most recent five years, the Recent Historic Average of Water Made Available to the Contractor
263 was 23,227 acre-feet. Nothing in subdivision (b) of this Article shall affect the rights and obligations
264 of the parties under any provision of this Contract.

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

7 (c.1) In the event any Project Contractor (other than a Cross Valley Contractor) that
268 receives Project Water through the Delta Division Facilities obtains a contractual agreement that the
269 Contracting Officer shall make Project Water available at a point or points of delivery in or north of
270 the Delta, at the request of the Contractor and upon completion of any required environmental
271 documentation, this Contract shall be amended to provide for deliveries in or north of the Delta on
272 mutually agreeable terms. Such amendments to the Contract shall be limited solely to those changes
273 made necessary by the addition of such alternate points of delivery in or north of the Delta; Provided,
274 That the Contracting Officer's use of the Harvey O. Banks Pumping Plant to deliver Project Water
275 does not trigger this right of amendment.

276 (d) The Contractor shall make reasonable and beneficial use of all water furnished
277 pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu), groundwater
3 banking programs, surface water storage programs, and other similar programs utilizing Project Water
279 or other water furnished pursuant to this Contract conducted within the Contractor's Service Area
280 which are consistent with applicable State law and result in use consistent with Federal Reclamation
281 law will be allowed; Provided, That any direct recharge program(s) is (are) described in the
282 Contractor's water conservation plan submitted pursuant to Article 26 of this Contract; Provided
283 further, That such water conservation plan demonstrates sufficient lawful uses exist in the Contractor's
284 Service Area so that using a long-term average, the quantity of Delivered Water is demonstrated to be
285 reasonable for such uses and in compliance with Federal Reclamation law. Groundwater recharge
286 programs, groundwater banking programs, surface water storage programs, and other similar programs
287 utilizing Project Water or other water furnished pursuant to this Contract conducted outside the

Contractor's Service Area may be permitted upon written approval of the Contracting Officer, which approval will be based upon environmental documentation, Project Water rights, and Project operational concerns. The Contracting Officer will address such concerns in regulations, policies, or guidelines.

(e) The Contractor shall comply with requirements applicable to the Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA), as amended, that are within the Contractor's legal authority to implement. The Contract No(s). 14-06-200-700-A, 14-06-200-700-A-IR1, and 14-06-200-700-A-IR2, which evidence in excess of 41 years of diversions for irrigation and/or M&I purposes of the quantities of water provided in subdivision (a) of Article 3 of this Contract, will be considered in developing an appropriate baseline for biological assessment(s) prepared pursuant to the ESA, and any other needed environmental review. Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or other environmental documentation referred to in this Article.

(f) Following the declaration of Water Made Available under Article 4 of this Contract, the Contracting Officer will make a determination whether Project Water, or other water available to the Project, can be made available to the Contractor in addition to the Contract Total under this Article during the Year without adversely impacting other Project Contractors. At the request of the Contractor, the Contracting Officer will consult with the Contractor prior to making such a determination. If the Contracting Officer determines that Project Water, or other water available to the

9 Project, can be made available to the Contractor, the Contracting Officer will announce the availability
310 of such water and shall so notify the Contractor as soon as practical. The Contracting Officer will
311 thereafter meet with the Contractor and other Project Contractors capable of taking such water to
312 determine the most equitable and efficient allocation of such water. If the Contractor requests the
313 delivery of any quantity of such water, the Contracting Officer shall make such water available to the
314 Contractor in accordance with applicable statutes, regulations, guidelines, and policies. Subject to
315 existing long-term contractual commitments, water rights and operational constraints, long-term
316 Project Contractors shall have a first right to acquire such water, including Project Water made
317 available pursuant to Section 215 of the RRA.

318 (g) The Contractor may request permission to reschedule for use during the
319 subsequent Year some or all of the Water Made Available to the Contractor during the current Year,
320 referred to as "rescheduled water." The Contractor may request permission to use during the current
321 Year a quantity of Project Water which may be made available by the United States to the Contractor
322 during the subsequent Year referred to as "preuse." The Contracting Officer's written approval may
323 permit such uses in accordance with applicable statutes, regulations, guidelines, and policies.

324 (h) The Contractor's right pursuant to Federal Reclamation law and applicable
325 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract during the
326 term thereof and any subsequent renewal contracts, as described in Article 2 of this Contract, during
327 the terms thereof shall not be disturbed so long as the Contractor shall fulfill all of its obligations
328 under this Contract and any renewals thereof. Nothing in the preceding sentence shall affect the

9 Contracting Officer's ability to impose shortages under Article 11 or subdivision (b) of Article 12 of
330 this Contract or applicable provisions of any subsequent renewal contracts.

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

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

342 TIME FOR DELIVERY OF WATER

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

Contractor. Concurrently with the declaration of the Water Made Available, the Contracting Officer shall provide the Contractor with the updated Recent Historic Average.

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

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

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

POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

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

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

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

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

390 (e) Absent a separate contrary written agreement with the Contractor, neither the
391 Contracting Officer nor any Operating Non-Federal Entity(ies) shall be responsible for the control,

2 carriage, handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this
393 Contract beyond the point or points of delivery established pursuant to subdivision (a) of this Article.
394 The Contractor shall indemnify the United States, its officers, employees, agents, and assigns on
395 account of damage or claim of damage of any nature whatsoever for which there is legal
396 responsibility, including property damage, personal injury, or death arising out of or connected with
397 the control, carriage, handling, use, disposal, or distribution of such Water Delivered beyond such
398 point or points of delivery except for any damage or claim arising out of: (i) acts or omissions of the
399 Contracting Officer or any of its officers, employees, agents, and assigns, including the Operating
400 Non-Federal Entity(ies), with the intent of creating the situation resulting in any damage or claim; (ii)
401 willful misconduct of the Contracting Officer or any of its officers, employees, agents, and assigns,
402 including the Operating Non-Federal Entity(ies); (iii) negligence of the Contracting Officer or any of
3 its officers, employees, agents, and assigns including the Operating Non-Federal Entity(ies); or (iv) a
404 malfunction of facilities owned and/or operated by the United States or the Operating Non-Federal
405 Entity(ies).

406 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

407 6. (a) The Contractor has established a measuring program satisfactory to the
408 Contracting Officer. The Contractor shall ensure that all surface water delivered for irrigation
409 purposes within the Contractor's Service Area is measured at each agricultural turnout and such water
410 delivered for M&I purposes is measured at each M&I service connection. The water measuring
411 devices or water measuring methods of comparable effectiveness must be acceptable to the
412 Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining

3 and repairing all such measuring devices and implementing all such water measuring methods at no
414 cost to the United States. The Contractor shall use the information obtained from such water
415 measuring devices or water measuring methods to ensure its proper management of the water, to bill
416 water users for water delivered by the Contractor; and, if applicable, to record water delivered for
417 M&I purposes by customer class as defined in the Contractor's water conservation plan provided for
418 in Article 26 of this Contract. Nothing herein contained, however, shall preclude the Contractor from
419 establishing and collecting any charges, assessments, or other revenues authorized by California law.
420 The Contractor shall include a summary of all its annual surface water deliveries in the annual report
421 described in subdivision (c) of Article 26.

422 (b) To the extent the information has not otherwise been provided, upon execution
423 of this Contract, the Contractor shall provide to the Contracting Officer a written report describing the
424 measurement devices or water measuring methods being used or to be used to implement subdivision
425 (a) of this Article and identifying the agricultural turnouts and the M&I service connections or
426 alternative measurement programs approved by the Contracting Officer, at which such measurement
427 devices or water measuring methods are being used, and, if applicable, identifying the locations at
428 which such devices and/or methods are not yet being used including a time schedule for
429 implementation at such locations. The Contracting Officer shall advise the Contractor in writing
430 within 60 days as to the adequacy, and necessary modifications, if any, of the measuring devices or
431 water measuring methods identified in the Contractor's report and if the Contracting Officer does not
432 respond in such time, they shall be deemed adequate. If the Contracting Officer notifies the
433 Contractor that the measuring devices or methods are inadequate, the parties shall within 60 days

4 following the Contracting Officer's response, negotiate in good faith the earliest practicable date by
435 which the Contractor shall modify said measuring devices and/or measuring methods as required by
436 the Contracting Officer to ensure compliance with subdivision (a) of this Article.

437 (c) All new surface water delivery systems installed within the Contractor's
438 Service Area after the effective date of this Contract shall also comply with the measurement
439 provisions described in subdivision (a) of this Article.

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

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

446 RATES AND METHOD OF PAYMENT FOR WATER

447 7. (a) The Contractor shall pay the United States as provided in this Article for all
448 Delivered Water at Rates, Charges, and the Tiered Pricing Component established in accordance
449 with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's
450 then-existing ratesetting policy for M&I Water, which ratesetting policies shall be amended,
451 modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal
452 Reclamation law and associated rules and regulations, or policies; and (iii) other applicable
453 provisions of this Contract. Payments shall be made by cash transaction, electronic funds transfer, or
454 any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer.

5 The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon execution of
456 this Contract are set forth in Exhibit "B," as may be revised annually.

457 (b) The Contracting Officer shall notify the Contractor of the Rates, Charges, and
458 Tiered Pricing Component as follows:

459 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall
460 provide the Contractor an estimate of the Charges for Project Water that will be applied to the period
461 October 1, of the current Calendar Year, through September 30, of the following Calendar Year, and
462 the basis for such estimate. The Contractor shall be allowed not less than two months to review and
463 comment on such estimates. On or before September 15 of each Calendar Year, the Contracting
464 Officer shall notify the Contractor in writing of the Charges to be in effect during the period
465 October 1 of the current Calendar Year, through September 30, of the following Calendar Year, and
5 such notification shall revise Exhibit "B."

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

474 (c) At the time the Contractor submits the initial schedule for the delivery of
475 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the Contractor

5 shall make an advance payment to the United States equal to the total amount payable pursuant to the
477 applicable Rate(s) set under subdivision (a) of this Article, for the Project Water scheduled to be
478 delivered pursuant to this Contract during the first two calendar months of the Year. Before the end
479 of the first month and before the end of each calendar month thereafter, the Contractor shall make an
480 advance payment to the United States, at the Rate(s) set under subdivision (a) of this Article, for the
481 Water Scheduled to be delivered pursuant to this Contract during the second month immediately
482 following. Adjustments between advance payments for Water Scheduled and payments at Rates due
483 for Water Delivered shall be made before the end of the following month; Provided, That any revised
484 schedule submitted by the Contractor pursuant to Article 4 of this Contract which increases the
485 amount of Water Delivered pursuant to this Contract during any month shall be accompanied with
486 appropriate advance payment, at the Rates then in effect, to assure that Project Water is not delivered
7 to the Contractor in advance of such payment. In any month in which the quantity of Water Delivered
488 to the Contractor pursuant to this Contract equals the quantity of Water Scheduled and paid for by the
489 Contractor, no additional Project Water shall be delivered to the Contractor unless and until an
490 advance payment at the Rates then in effect for such additional Project Water is made. Final
491 adjustment between the advance payments for the Water Scheduled and payments for the quantities
492 of Water Delivered during each Year pursuant to this Contract shall be made as soon as practicable
493 but no later than April 30th of the following Year, or 60 days after the delivery of Project Water
494 rescheduled under subdivision (g) of Article 3 of this Contract if such water is not delivered by the
495 last day of February.

5 (d) The Contractor shall also make a payment in addition to the Rate(s) in
497 subdivision (c) of this Article to the United States for Water Delivered, at the Charges and the
498 appropriate Tiered Pricing Component then in effect, before the end of the month following the
499 month of delivery; Provided, That the Contractor may be granted an exception from the Tiered
500 Pricing Component pursuant to subdivision (j)(2) of this Article. The payments shall be consistent
501 with the quantities of Irrigation Water and M&I Water Delivered as shown in the water delivery
502 report for the subject month prepared by the Operating Non-Federal Entity(ies) or, if there is no
503 Operating Non-Federal Entity, by the Contracting Officer. The water delivery report shall be deemed
504 a bill for the payment of Charges and the applicable Tiered Pricing Component for Water Delivered.
505 Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of
506 payments due to the United States for Charges for the next month. Any amount to be paid for past
/ due payment of Charges and the Tiered Pricing Component shall be computed pursuant to Article 20
508 of this Contract.

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

515 (f) Payments to be made by the Contractor to the United States under this Contract
516 may be paid from any revenues available to the Contractor.

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

521 (h) The Contracting Officer shall keep its accounts pertaining to the administration
522 of the financial terms and conditions of its long-term contracts, in accordance with applicable Federal
523 standards, so as to reflect the application of Project costs and revenues. The Contracting Officer
524 shall, each Year upon request of the Contractor, provide to the Contractor a detailed accounting of all
525 Project and Contractor expense allocations, the disposition of all Project and Contractor revenues,
526 and a summary of all water delivery information. The Contracting Officer and the Contractor shall
527 enter into good faith negotiations to resolve any discrepancies or disputes relating to accountings,
528 reports, or information.

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

536 (j) (1) Beginning at such time as deliveries of Project Water in a Year exceed
537 80 percent of the Contract Total, then before the end of the month following the month of delivery the

3 Contractor shall make an additional payment to the United States equal to the applicable Tiered
539 Pricing Component. The Tiered Pricing Component for the amount of Water Delivered in excess of
540 80 percent of the Contract Total, but less than or equal to 90 percent of the Contract Total, shall equal
541 one-half of the difference between the Rate established under subdivision (a) of this Article and the
542 Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, whichever is applicable. The Tiered
543 Pricing Component for the amount of Water Delivered which exceeds 90 percent of the Contract
544 Total shall equal the difference between (i) the Rate established under subdivision (a) of this Article
545 and (ii) the Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, whichever is applicable.
546 For all Water Delivered pursuant to subdivision (a) of Article 3 of this Contract which is in excess of
547 80 percent of the Contract Total, this increment shall be deemed to be divided between Irrigation
548 Water and M&I Water in the same proportion as actual deliveries of each bear to the cumulative total
549 Water Delivered.

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

557 (3) For purposes of determining the applicability of the Tiered Pricing
558 Component pursuant to this Article, Water Delivered shall include Project Water that the Contractor

transfers to others but shall not include Project Water transferred to the Contractor, nor shall it include the additional water provided to the Contractor under the provisions of subdivision (f) of Article 3 of this Contract.

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

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

(m) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting

Officer is authorized to adjust determinations of ability to pay every five years.

(n) Omitted.

NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

8. The Contractor and the Contracting Officer concur that, as of the effective date of this Contract, the Contractor has no non-interest bearing O&M deficits and shall have no further liability therefor.

SALES, TRANSFERS, OR EXCHANGES OF WATER

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

(b) In order to facilitate efficient water management by means of water transfers of the type historically carried out among Project Contractors located within the same geographical area and to allow the Contractor to participate in an accelerated water transfer program during the term of

0 this Contract, the Contracting Officer shall prepare, as appropriate, all necessary environmental
601 documentation, including but not limited to documents prepared pursuant to NEPA and ESA,
602 analyzing annual transfers within such geographical areas and the Contracting Officer shall determine
603 whether such transfers comply with applicable law. Following the completion of the environmental
604 documentation, such transfers addressed in such documentation shall be conducted with advance
605 notice to the Contracting Officer, but shall not require prior written approval by the Contracting
606 Officer. Such environmental documentation and the Contracting Officer's compliance determination
607 shall be reviewed every five years and updated, as necessary, prior to the expiration of the then
608 existing five-year period. All subsequent environmental documentation shall include an alternative to
609 evaluate not less than the quantity of Project Water historically transferred within the same
610 geographical area.

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

APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 25.

TEMPORARY REDUCTIONS--RETURN FLOWS

11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the requirements of Federal law and (ii) the obligations of the United States under existing contracts, or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall make

2 all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in this
643 Contract.

644 (b) The Contracting Officer or Operating Non-Federal Entity(ies) may temporarily
645 discontinue or reduce the quantity of Water Delivered to the Contractor as herein provided for the
646 purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project
647 facilities or any part thereof necessary for the delivery of Project Water to the Contractor, but so far as
648 feasible the Contracting Officer or Operating Non-Federal Entity(ies) will give the Contractor due
649 notice in advance of such temporary discontinuance or reduction, except in case of emergency, in
650 which case no notice need be given; Provided, That the United States shall use its best efforts to avoid
651 any discontinuance or reduction in such service. Upon resumption of service after such reduction or
652 discontinuance, and if requested by the Contractor, the United States will, if possible, deliver the
3 quantity of Project Water which would have been delivered hereunder in the absence of such
654 discontinuance or reduction.

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

CONSTRAINTS ON THE AVAILABILITY OF WATER

662 12. (a) In its operation of the Project, the Contracting Officer will use all reasonable
663 means to guard against a Condition of Shortage in the quantity of water to be made available to the
664 Contractor pursuant to this Contract. In the event the Contracting Officer determines that a Condition
665 of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination
666 as soon as practicable.

667 (b) If there is a Condition of Shortage because of errors in physical operations of
668 the Project, drought, other physical causes beyond the control of the Contracting Officer or actions
669 taken by the Contracting Officer to meet legal obligations then, except as provided in subdivision (a)
670 of Article 18 of this Contract, no liability shall accrue against the United States or any of its officers,
671 agents, or employees for any damage, direct or indirect, arising therefrom.

672 (c) In any Year in which there may occur a Condition of Shortage for any of the
673 reasons specified in subdivision (b) of this Article, and subject to subdivision (d) of this Article, the
674 Contracting Officer will first allocate the available Project Water consistent with the draft CVP M&I
675 Water Shortage Policy on the effective date of this Contract as finally adopted after environmental
676 review for determining the amount of Project Water available for delivery to the Project Contractors.
677 Subject to the foregoing allocation, in any year in which there may occur a Condition of Shortage, the
678 Contracting Officer shall then apportion Project Water among the Contractor and others entitled to
679 Project Water from Delta Division Facilities under long-term water service or repayment contracts (or
680 renewals thereof or binding commitments therefor) in force on February 28, 2005, as follows:

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

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

690 (3) The total quantity of Project Water estimated to be scheduled or
691 actually scheduled by the Contractor during the relevant Year, under subdivision (b) of Article 4
2 hereof, shall be divided by the scheduled total, the quotient thus obtained being hereinafter referred to
693 as the Contractor's proportionate share; and

694 (4) The available supply shall be multiplied by the Contractor's
695 proportionate share and the result shall be the quantity of Project Water made available by the United
696 States to the Contractor for the relevant Year in accordance with the schedule developed by the
697 Contracting Officer under subdivision (c)(1) of this Article, but in no event shall such amount exceed
698 the Contract Total. In the event the Contracting Officer subsequently determines that the Contracting
699 Officer can increase or needs to decrease the available supply for delivery from Delta Division
700 Facilities to long-term water service and repayment Contractors during the relevant Year, such

1 additions or reductions to the available supply shall be apportioned consistent with subparagraphs (1)
702 through (4), inclusive.

703 (d) By entering into this Contract, the Contractor does not waive any legal rights or
704 remedies it may have to file or participate in any administrative or judicial proceeding contesting (i)
705 the sufficiency of the Central Valley Project M&I Water Shortage Policy; (ii) the substance of such a
706 policy; (iii) the applicability of such a policy; or (iv) the manner in which such policy is implemented
707 in order to allocate Project Water between municipal and industrial and irrigation purposes; Provided,
708 That the Contractor has commenced any such judicial challenge or any administrative procedures
709 necessary to institute any judicial challenge within six months of the policy becoming final. By
710 agreeing to the foregoing, the Contracting Officer does not waive any legal defenses or remedies that
711 it may have to assert in such a proceeding. Nothing contained herein shall be interpreted to validate
2 or invalidate the Central Valley Project M&I Water Shortage Policy.

713 UNAVOIDABLE GROUNDWATER PERCOLATION

714 13. To the extent applicable, the Contractor shall not be deemed to have delivered
715 Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this Contract if such lands
716 are irrigated with groundwater that reaches the underground strata as an unavoidable result of the
717 delivery of Irrigation Water by the Contractor to Eligible Lands.

718 RULES AND REGULATIONS

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

EXHIBIT B
JAMES IRRIGATION DISTRICT
Water Rates and Charges

CONTRACT NO. 14-06-200-700-A-LTR1

2005 Rates Per Acre-Foot

Irrigation Water M&I Water

COST-OF-SERVICE (COS) RATES:

DMC

Capital Rates:

\$11.40

O&M Rates:

Water Marketing

\$6.61

Storage

\$5.93

Conveyance

*

Direct Pumping (Project Use Energy)

Tracy Pumping

San Luis Drain

Deficit Rates:

Non-Interest Bearing

Interest Bearing

\$0.07

CFO/PFR Adjustment Rate

\$1.05

TOTAL COST-OF-SERVICE RATES (COS):

\$25.06

M&I FULL-COST RATE:

Tiered Pricing Component >80% <=90% of Contract

Total [Full Cost Rate - COS Rate /2]:

\$6.32

Tiered Pricing Component >90% of Contract

Total [Full Cost Rate - COS Rate]:

\$12.63

FULL-COST RATES:

Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.

\$37.69

205 FULL-COST RATES:

Section 205(a)(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.

\$44.78

SURCHARGES UNDER P.L. 102-575

TO RESTORATION FUND**

\$7.93

* Conveyance and Conveyance Pumping Operation and maintenance costs were removed for ratesetting purposes and are to be billed directly to the water authorities.

** The surcharges are payments in addition to the water rates and were determined pursuant to Title XXXIV of Public Law 102-575. Restoration fund surcharges under P.L. 102-575 are on a fiscal year basis (10/1-9/30).

Recent Historic Use as defined in the CVP M&I Water Storage Policy is 23,227 acre-feet.

3

WATER AND AIR POLLUTION CONTROL

15. The Contractor, in carrying out this Contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of California, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

16. (a) Project facilities used to deliver Project Water to the Contractor pursuant to this Contract shall be operated and maintained to enable the United States to deliver Project Water to the Contractor in accordance with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050) or other existing Federal laws. The United States is under no obligation to construct or furnish water treatment facilities to maintain or to improve the quality of Water Delivered to the Contractor pursuant to this Contract. The United States does not warrant the quality of Water Delivered to the Contractor pursuant to this Contract. None of the foregoing affects or modifies the obligations of the United States under Contract No. 14-06-200-700-A, dated December 23, 1963, with respect to Schedule 2 water, including but not limited to, Article 10 of said contract.

(b) The O&M of Project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The Contractor shall be responsible for compliance with all State and Federal water quality standards applicable to surface and subsurface agricultural drainage discharges generated through the use of Federal or Contractor facilities or Project Water provided by the Contractor within the Contractor's Service Area.

WATER ACQUIRED BY THE CONTRACTOR OTHER
THAN FROM THE UNITED STATES

4
145

746 17. (a) Water or water rights now owned or hereafter acquired by the Contractor other
747 than from the United States and Irrigation Water furnished pursuant to the terms of this Contract may
748 be simultaneously transported through the same distribution facilities of the Contractor subject to the
749 following: (i) if the facilities utilized for commingling Irrigation Water and non-Project water were
750 constructed without funds made available pursuant to Federal Reclamation law, the provisions of
751 Federal Reclamation law will be applicable only to the Landholders of lands which receive Irrigation
752 Water; (ii) the eligibility of land to receive Irrigation Water must be established through the
753 certification requirements as specified in the Acreage Limitation Rules and Regulations (43 CFR Part
754 426); (iii) the water requirements of Eligible Lands within the Contractor's Service Area can be
5 established and the quantity of Irrigation Water to be utilized is less than or equal to the quantity
756 necessary to irrigate such Eligible Lands. The Contractor and the Contracting Officer concur that, as
757 of the effective date of this Contract, the Contractor has a distribution system that was constructed
758 without the use of Federally financed funds.

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

4

(1) The Contractor may introduce non-Project water into Project facilities

765 and deliver said water to lands within the Contractor's Service Area, including Ineligible Lands,
766 subject to payment to the United States and/or to any applicable Operating Non-Federal Entity of an
767 appropriate rate as determined by the applicable Project ratesetting policy, the RRA, and the Project
768 use power policy, if such Project use power policy is applicable, each as amended, modified, or
769 superseded from time to time.

770

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

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

5

(3) Neither the United States nor the Operating Non-Federal Entity(ies)

776 shall be responsible for control, care or distribution of the non-Project water before it is introduced
777 into or after it is delivered from the Project facilities. The Contractor hereby releases and agrees to
778 defend and indemnify the United States and the Operating Non-Federal Entity(ies), and their
779 respective officers, agents, and employees, from any claim for damage to persons or property, direct
780 or indirect, resulting from the act(s) of the Contractor, its officers, employees, agents, or assigns, in
781 (i) extracting or diverting non-Project water from any source, or (ii) diverting such non-Project water
782 into Project facilities.

3

(4) Diversion of such non-Project water into Project facilities shall be

784 consistent with all applicable laws, and if involving groundwater, consistent with any applicable
785 groundwater management plan for the area from which it was extracted.

786

(5) After Project purposes are met, as determined by the Contracting

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

4

OPINIONS AND DETERMINATIONS

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

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

809 COORDINATION AND COOPERATION

810 19. (a) In order to further their mutual goals and objectives, the Contracting Officer
811 and the Contractor shall communicate, coordinate, and cooperate with each other, and with other
812 affected Project Contractors, in order to improve the operation and management of the Project. The
813 communication, coordination, and cooperation regarding operations and management shall include,
814 but not be limited to, any action which will or may materially affect the quantity or quality of Project
815 Water supply, the allocation of Project Water supply, and Project financial matters including, but not
816 limited to, budget issues. The communication, coordination, and cooperation provided for hereunder
817 shall extend to all provisions of this Contract. Each party shall retain exclusive decision making
818 authority for all actions, opinions, and determinations to be made by the respective party.

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

5 (c) In light of the factors referred to in subdivision (b) of Article 3 of this Contract,

826 it is the intent of the Secretary to improve water supply reliability. To carry out this intent:

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

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

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

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

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

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

CHARGES FOR DELINQUENT PAYMENTS

20. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes sixty (60) days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent ninety (90) days or more, the Contractor shall pay an additional penalty charge of six (6%) percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of one-half of one (0.5%) percent per month prescribed by Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

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

EQUAL OPPORTUNITY

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

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

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the

Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

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

(b) The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears in

the advance payment of water rates due the United States. The Contractor shall not furnish water made available pursuant to this Contract for lands or parties which are in arrears in the advance payment of water rates levied or established by the Contractor.

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

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this Contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

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

PRIVACY ACT COMPLIANCE

24. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et seq.) in maintaining Landholder acreage certification and reporting records, required to be submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.18.

(b) With respect to the application and administration of the criminal penalty provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees responsible

8 for maintaining the certification and reporting records referenced in (a) above are considered to be
49 employees of the Department of the Interior. See 5 U.S.C. 552a(m).

950 (c) The Contracting Officer or a designated representative shall provide the
951 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of
952 Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--Interior,
953 Reclamation-31) which govern the maintenance, safeguarding, and disclosure of information
954 contained in the Landholder's certification and reporting records.

955 (d) The Contracting Officer shall designate a full-time employee of the Bureau of
956 Reclamation to be the System Manager who shall be responsible for making decisions on denials
957 pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The Contractor is
958 authorized to grant requests by individuals for access to their own records.

959 (e) The Contractor shall forward promptly to the System Manager each proposed
960 denial of access under 43 CFR 2.64; and each request for amendment of records filed under 43 CFR
961 2.71; notify the requester accordingly of such referral; and provide the System Manager with
962 information and records necessary to prepare an appropriate response to the requester. These
963 requirements do not apply to individuals seeking access to their own certification and reporting forms
964 filed with the Contractor pursuant to 43 CFR 426.18, unless the requester elects to cite the Privacy
965 Act as a basis for the request.

5 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

967 25. In addition to all other payments to be made by the Contractor pursuant to this
968 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and
969 detailed statement submitted by the Contracting Officer to the Contractor for such specific items of
970 direct cost incurred by the United States for work requested by the Contractor associated with this
971 Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies and
972 procedures. All such amounts referred to in this Article shall not exceed the amount agreed to in
973 writing in advance by the Contractor. This Article shall not apply to costs for routine contract
974 administration.

WATER CONSERVATION

5
976 26. (a) Prior to the delivery of water provided from or conveyed through Federally
977 constructed or Federally financed facilities pursuant to this Contract, the Contractor shall be
978 implementing an effective water conservation and efficiency program based on the Contractor's water
979 conservation plan that has been determined by the Contracting Officer to meet the conservation and
980 efficiency criteria for evaluating water conservation plans established under Federal law. The water
981 conservation and efficiency program shall contain definite water conservation objectives, appropriate
982 economically feasible water conservation measures, and time schedules for meeting those objectives.
983 Continued Project Water delivery pursuant to this Contract shall be contingent upon the Contractor's
984 continued implementation of such water conservation program. In the event the Contractor's water
985 conservation plan or any revised water conservation plan completed pursuant to subdivision (d) of
6 Article 26 of this Contract have not yet been determined by the Contracting Officer to meet such
987 criteria, due to circumstances which the Contracting Officer determines are beyond the control of the
988 Contractor, water deliveries shall be made under this Contract so long as the Contractor diligently
989 works with the Contracting Officer to obtain such determination at the earliest practicable date, and
990 thereafter the Contractor immediately begins implementing its water conservation and efficiency
991 program in accordance with the time schedules therein.

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

5 Conservation Council for such M&I Water unless any such practice is determined by the Contracting
996 Officer to be inappropriate for the Contractor.

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

1000 (d) At five-year intervals, the Contractor shall revise its water conservation plan to
1001 reflect the then-current conservation and efficiency criteria for evaluating water conservation plans
1002 established under Federal law and submit such revised water management plan to the Contracting
1003 Officer for review and evaluation. The Contracting Officer will then determine if the water
1004 conservation plan meets Reclamation's then-current conservation and efficiency criteria for
1005 evaluating water conservation plans established under Federal law.

5 (e) If the Contractor is engaged in direct groundwater recharge, such activity shall
1007 be described in the Contractor's water conservation plan.

1008 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

1009 27. Except as specifically provided in Article 17 of this Contract, the provisions of this
1010 Contract shall not be applicable to or affect non-Project water or water rights now owned or hereafter
1011 acquired by the Contractor or any user of such water within the Contractor's Service Area. Any such
1012 water shall not be considered Project Water under this Contract. In addition, this Contract shall not
1013 be construed as limiting or curtailing any rights which the Contractor or any water user within the
1014 Contractor's Service Area acquires or has available under any other contract pursuant to Federal
1015 Reclamation law.

6
1017
OPERATION AND MAINTENANCE BY

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

1018 28. (a) The O&M of a portion of the Project facilities which serve the Contractor, and
1019 responsibility for funding a portion of the costs of such O&M, have been transferred to the San Luis
1020 & Delta-Mendota Water Authority, an Operating Non-Federal Entity by separate agreement (8-07-20-
1021 X0354) between the United States and the Operating Non-Federal Entity San Luis & Delta-Mendota
1022 Water Authority. That separate agreement shall not interfere with or affect the rights or obligations of
1023 the Contractor or the United States hereunder.

1024 (b) The Contracting Officer has previously notified the Contractor in writing that
1025 the Operation and Maintenance of a portion of the Project facilities which serve the Contractor has
1026 been transferred to the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority,
1027 and therefore, the Contractor shall pay directly to the Operating Non-Federal Entity San Luis & Delta-
1028 Mendota Water Authority, or to any successor approved by the Contracting Officer under the terms
1029 and conditions of the separate agreement between the United States and the Operating Non-Federal
1030 Entity San Luis & Delta-Mendota Water Authority described in subdivision (a) of this Article, all
1031 rates, charges, or assessments of any kind, including any assessment for reserve funds, which the
1032 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or such successor
1033 determines, sets, or establishes for the O&M of the portion of the Project facilities operated and
1034 maintained by the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or such
1035 successor. Such direct payments to the Operating Non-Federal Entity San Luis & Delta-Mendota
1036 Water Authority or such successor shall not relieve the Contractor of its obligation to pay directly to

7 the United States the Contractor's share of the Project Rates, Charges, and Tiered Pricing Component
1038 except to the extent the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority
1039 collects payments on behalf of the United States in accordance with the separate agreement identified
1040 in subdivision (a) of this Article.

1041 (c) For so long as the O&M of any portion of the Project facilities serving the
1042 Contractor is performed by the Operating Non-Federal Entity San Luis & Delta-Mendota Water
1043 Authority, or any successor thereto, the Contracting Officer shall adjust those components of the
1044 Rates for Water Delivered under this Contract representing the cost associated with the activity being
1045 performed by the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority or its
1046 successor.

1047 (d) In the event the O&M of the Project facilities operated and maintained by the
8 Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority is re-assumed by the
1049 United States during the term of this Contract, the Contracting Officer shall so notify the Contractor,
1050 in writing, and present to the Contractor a revised Exhibit "B" which shall include the portion of the
1051 Rates to be paid by the Contractor for Project Water under this Contract representing the O&M costs
1052 of the portion of such Project facilities which have been re-assumed. The Contractor shall, thereafter,
1053 in the absence of written notification from the Contracting Officer to the contrary, pay the Rates,
1054 Charges, and Tiered Pricing Component specified in the revised Exhibit "B" directly to the United
1055 States in compliance with Article 7 of this Contract.

1056 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1057 29. The expenditure or advance of any money or the performance of any obligation of the
1058 United States under this Contract shall be contingent upon appropriation or allotment of funds.

9 Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations
1060 under this Contract. No liability shall accrue to the United States in case funds are not appropriated
1061 or allotted.

1062 BOOKS, RECORDS, AND REPORTS

1063 30. (a) The Contractor shall establish and maintain accounts and other books and
1064 records pertaining to administration of the terms and conditions of this Contract, including: the
1065 Contractor's financial transactions, water supply data, and Project land and right-of-way agreements;
1066 the water users' land-use (crop census), land ownership, land-leasing and water use data; and other
1067 matters that the Contracting Officer may require. Reports thereon shall be furnished to the
1068 Contracting Officer in such form and on such date or dates as the Contracting Officer may require.
1069 Subject to applicable Federal laws and regulations, each party to this Contract shall have the right
1070 during office hours to examine and make copies of the other party's books and records relating to
1071 matters covered by this Contract.

1072 (b) Notwithstanding the provisions of subdivision (a) of this Article, no books,
1073 records, or other information shall be requested from the Contractor by the Contracting Officer unless
1074 such books, records, or information are reasonably related to the administration or performance of
5 this Contract. Any such request shall allow the Contractor a reasonable period of time within which
1076 to provide the requested books, records, or information.

1077 (c) At such time as the Contractor provides information to the Contracting Officer
1078 pursuant to subdivision (a) of this Article, a copy of such information shall be provided to the
1079 Operating Non-Federal Entity.

1080 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

1081 31. (a) The provisions of this Contract shall apply to and bind the successors and
1082 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
1083 therein shall be valid until approved in writing by the Contracting Officer.

4 (b) The assignment of any right or interest in this Contract by either party shall not
1085 interfere with the rights or obligations of the other party to this Contract absent the written
1086 concurrence of said other party.

1087 (c) The Contracting Officer shall not unreasonably condition or withhold approval
1088 of any proposed assignment.

1089 SEVERABILITY

1090 32. In the event that a person or entity who is neither (i) a party to a Project contract, nor
1091 (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii) an
1092 association or other form of organization whose primary function is to represent parties to Project
1093 contracts, brings an action in a court of competent jurisdiction challenging the legality or
1094 enforceability of a provision included in this Contract and said person, entity, association, or
5 organization obtains a final court decision holding that such provision is legally invalid or
1096 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s), the
1097 parties to this Contract shall use their best efforts to (i) within 30 days of the date of such final court
1098 decision identify by mutual agreement the provisions in this Contract which must be revised and (ii)
1099 within three months thereafter promptly agree on the appropriate revision(s). The time periods
1100 specified above may be extended by mutual agreement of the parties. Pending the completion of the
1101 actions designated above, to the extent it can do so without violating any applicable provisions of
1102 law, the United States shall continue to make the quantities of Project Water specified in this Contract
1103 available to the Contractor pursuant to the provisions of this Contract which were not found to be
1104 legally invalid or unenforceable in the final court decision.

5
RESOLUTION OF DISPUTES

1106 33. Should any dispute arise concerning any provisions of this Contract, or the parties'
1107 rights and obligations thereunder, the parties shall meet and confer in an attempt to resolve the
1108 dispute. Prior to the Contractor commencing any legal action, or the Contracting Officer referring
1109 any matter to the Department of Justice, the party shall provide to the other party 30 days' written
1110 notice of the intent to take such action; Provided, That such notice shall not be required where a delay
1111 in commencing an action would prejudice the interests of the party that intends to file suit. During
1112 the 30-day notice period, the Contractor and the Contracting Officer shall meet and confer in an
1113 attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or
1114 abridge any right or remedy that the Contractor or the United States may have.

1115 OFFICIALS NOT TO BENEFIT

5 34. No Member of or Delegate to Congress, Resident Commissioner, or official of the
1117 Contractor shall benefit from this Contract other than as a water user or landowner in the same
1118 manner as other water users or landowners.

1119 CHANGES IN CONTRACTOR'S SERVICE AREA

1120 35. (a) While this Contract is in effect, no change may be made in the Contractor's
1121 Service Area, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise,
1122 except upon the Contracting Officer's written consent.

1123 (b) Within 30 days of receipt of a request for such a change, the Contracting
1124 Officer will notify the Contractor of any additional information required by the Contracting Officer
1125 for processing said request, and both parties will meet to establish a mutually agreeable schedule for
1126 timely completion of the process. Such process will analyze whether the proposed change is likely to:
1127 (i) result in the use of Project Water contrary to the terms of this Contract; (ii) impair the ability of the

8 Contractor to pay for Project Water furnished under this Contract or to pay for any
1129 Federally-constructed facilities for which the Contractor is responsible; and (iii) have an impact on
1130 any Project Water rights applications, permits, or licenses. In addition, the Contracting Officer shall
1131 comply with the NEPA and the ESA. The Contractor will be responsible for all costs incurred by the
1132 Contracting Officer in this process, and such costs will be paid in accordance with Article 25 of this
1133 Contract.

1134 FEDERAL LAWS

1135 36. By entering into this Contract, the Contractor does not waive its rights to contest the
1136 validity or application in connection with the performance of the terms and conditions of this
1137 Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with the
1138 terms and conditions of this Contract unless and until relief from application of such Federal law or
9 regulation to the implementing provision of the Contract is granted by a court of competent
1140 jurisdiction.

1141 NOTICES

1142 37. Any notice, demand, or request authorized or required by this Contract shall be
1143 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered
1144 to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, California 93721,
1145 and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of
1146 Directors of the James Irrigation District, P.O. Box 757, San Joaquin, California 93660. The
1147 designation of the addressee or the address may be changed by notice given in the same manner as
1148 provided in this Article for other notices.

1149 CONFIRMATION OF CONTRACT

1150 38. The Contractor, after the execution of this Contract, shall promptly seek to secure a
1151 decree of a court of competent jurisdiction of the State of California, confirming the execution of this
1152 Contract. The Contractor shall furnish the United States a certified copy of the final decree, the
1153

validation proceedings, and all pertinent supporting records of the court approving and confirming this Contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor.

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

THE UNITED STATES OF AMERICA

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY
James E. Quinn
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

By: *[Signature]*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

(SEAL)

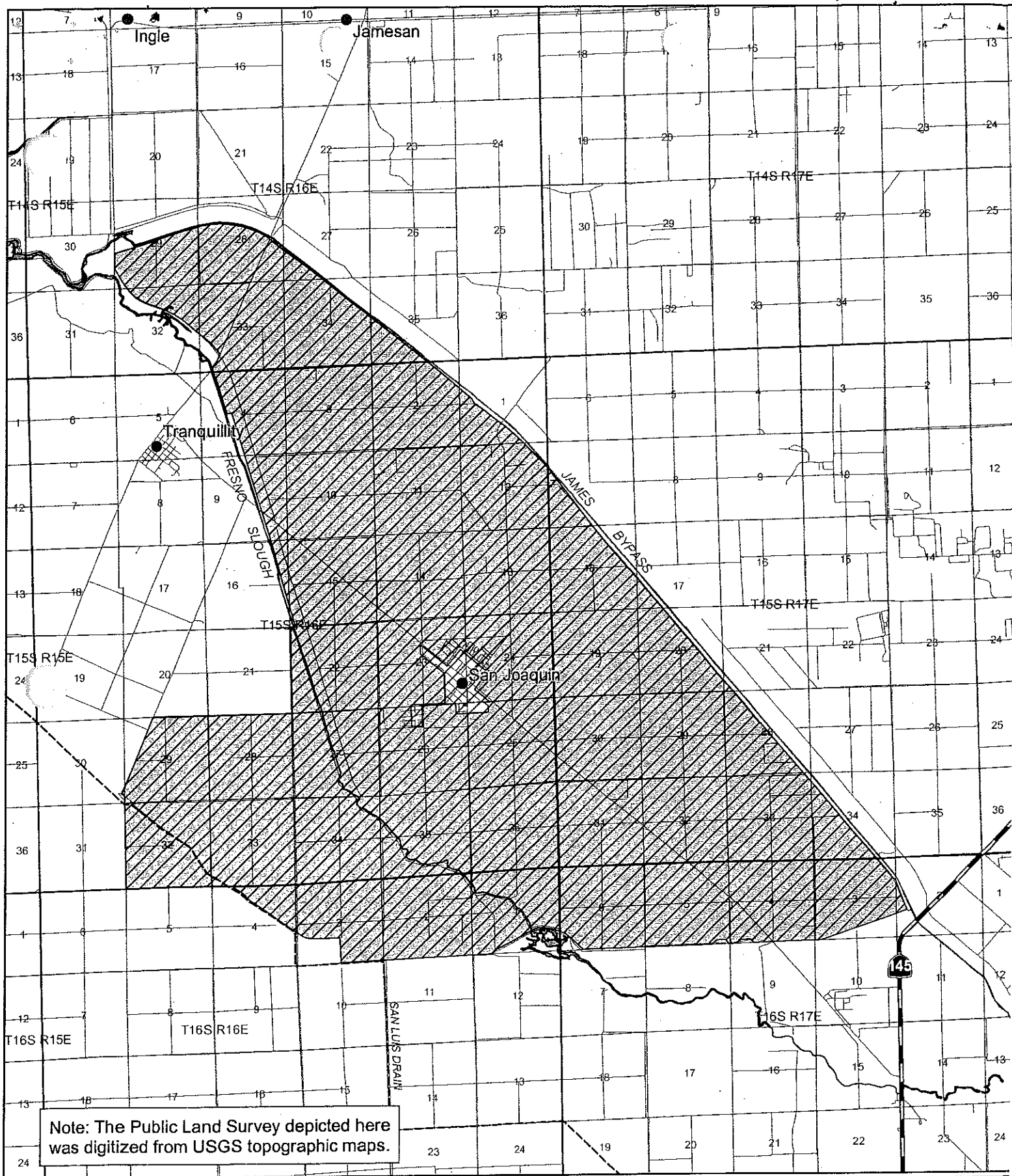
JAMES IRRIGATION DISTRICT

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

Attest:

By: *[Signature]*
Secretary of the Board of Directors

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James Irrigation District

Contract No. 14-06-200-700A-LTR1

Exhibit A

- Contractor's Service Area
- District Boundary

