

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

CONTRACT BETWEEN THE UNITED STATES  
AND  
PACHECO WATER DISTRICT  
PROVIDING FOR PROJECT WATER SERVICE  
SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT

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

14          WITNESSETH, That:

EXPLANATORY RECITALS

15  
16 [1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the  
17 California Central Valley Project (Project), for diversion, storage, carriage, distribution, and  
18 beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and wildlife  
19 mitigation, protection and restoration, generation and distribution of electric energy, salinity  
20 control, navigation, and other beneficial uses, of waters of the Sacramento River, the Trinity  
21 River, the American River, and the San Joaquin River and their tributaries; and

22 [2<sup>nd</sup>] WHEREAS, investigation of the Contractor's lands and present water  
23 supply indicated that irrigated and irrigable lands within the boundaries of the Contractor were in  
24 need of additional water for irrigation; and

25 [3<sup>rd</sup>] WHEREAS, investigation of the streamflow in the Sacramento River, the  
26 Trinity River, the American River, and the San Joaquin River and their tributaries indicated that  
27 there was available for furnishing to the Contractor from the Delta-Mendota Canal and the San  
28 Luis Canal an additional water supply for surface diversion and direct application for irrigation  
29 and municipal, industrial, and domestic use; and

30 [4<sup>th</sup>] WHEREAS, the United States constructed the Delta Division Facilities,  
31 including the Delta-Mendota Canal and the San Luis Unit facilities (which include the San Luis  
32 Canal, the Coalinga Canal, the Pleasant Valley Pumping Plant, and the Dos Amigos Pumping  
33 Plant), which will be used in part for the furnishing of water to the Contractor pursuant to the  
34 terms of this Contract; and

35 [5<sup>th</sup>] WHEREAS, the rights to Project Water were acquired by the United  
36 States pursuant to California law for operation of the Project; and

37 [6<sup>th</sup>] WHEREAS, the United States and the Contractor entered into Contract  
38 No. 7-07-20-W0005, as amended, which provided the Contractor, Project Water from the Project  
39 facilities from March 24, 1977 to February 2, 1986; and

40 [7<sup>th</sup>] WHEREAS, the United States and the Contractor entered into Delta  
41 Division and San Luis Unit Contract Number 06-07-20-W0469 as amended, which is hereinafter  
42 referred to as the “Existing Contract”, which established terms for the delivery of Project Water  
43 to the Contractor from the Delta Division and San Luis Unit, and which was in effect the date the  
44 WIIN Act was enacted; and

45 [8<sup>th</sup>] WHEREAS, on December 16, 2016, the 114<sup>th</sup> Congress of the United  
46 States of America enacted the WIIN Act; and

47 [9<sup>th</sup>] WHEREAS, Section 4011(a)(1) provides that “upon request of the  
48 contractor, the Secretary of the Interior shall convert any water service contract in effect on the  
49 date of enactment of this subtitle and between the United States and a water users’ association  
50 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under  
51 mutually agreeable terms and conditions.”; and

52 [10<sup>th</sup>] WHEREAS, Section 4011(a)(1) further provides that “the manner of  
53 conversion under this paragraph shall be as follows: (A) Water service contracts that were  
54 entered into under Section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted  
55 under this section shall be converted to repayment contracts under Section 9(d) of that Act (53  
56 Stat. 1195)”; and “(B) Water service contracts that were entered under subsection (c)(2) of  
57 Section 9 of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be  
58 converted to a contract under subsection (c)(1) of Section 9 of that Act (53 Stat. 1195).”; and

59 [11<sup>th</sup>] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered  
60 into pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service,  
61 repayment, exchange and transfer contractual rights between the water users’ association  
62 [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the  
63 water users’ association [Contractor] and their landowners as provided under State law.”; and

64 [12<sup>th</sup>] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that  
65 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water  
66 service or repayment contractor to receive water; or (4) except as expressly provided in this  
67 section, any obligations under the Federal Reclamation law, including the continuation of  
68 Restoration Fund charges pursuant to Section 3407(d) (Pub. L. 102-575), of the water service  
69 and repayment contractors making prepayments pursuant to this section.”; and

70 [13<sup>th</sup>] WHEREAS, upon the request of the Contractor, the WIIN Act directs the  
71 Secretary to convert irrigation water service contracts and municipal and industrial (M&I) water  
72 service contracts into repayment contracts, amend existing repayment contracts, and allow  
73 contractors to prepay their construction cost obligations pursuant to applicable Federal  
74 Reclamation law; and

75 [14<sup>th</sup>] WHEREAS, water obtained from the Project has been relied upon by  
76 urban and agricultural areas within California for more than 40 years, and is considered by the  
77 Contractor as an essential portion of its water supply; and

78 [15<sup>th</sup>] WHEREAS, the economies of regions within the Project, including the  
79 Contractor’s, depend upon the continued availability of water, including water service from the  
80 Project; and

81 [16<sup>th</sup>] WHEREAS, the Contractor has utilized or may utilize transfers, contract  
82 assignments, rescheduling, and conveyance of Project Water and non-Project water under this  
83 Contract as tools to minimize the impacts of a Condition of Shortage and to maximize the  
84 beneficial use of water; and

85 [17<sup>th</sup>] WHEREAS, the Contracting Officer and the Contractor agree that this  
86 Contract complies with Section 4011 of the WIIN Act; and

87 [18<sup>th</sup>] WHEREAS, the Contracting Officer and the Contractor agree to amend  
88 and convert the Existing Contract pursuant to Section 4011 of the WIIN Act and other Federal  
89 Reclamation law on the terms and conditions set forth below.

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

92 DEFINITIONS

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

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

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

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

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

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

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

113 (g) "Contractor's Service Area" shall mean the area to which the Contractor is  
114 permitted to provide Project Water under this Contract as described in Exhibit "A" attached  
115 hereto, which may be modified from time to time in accordance with Article 27 of this Contract  
116 without amendment of this Contract;

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

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



124 (j) "Eligible Lands" shall mean all lands to which Irrigation Water may be  
125 delivered in accordance with Section 204 of the Reclamation Reform Act of 1982 (96 Stat.  
126 1263), as amended;

127 (k) "Excess Lands" shall mean all lands in excess of the limitations contained  
128 in Section 204 of the Reclamation Reform Act of 1982, other than those lands exempt from  
129 acreage limitation under Federal Reclamation law;

130 (l) "Existing Capital Obligation" shall mean the remaining amount of  
131 construction costs or other capitalized costs allocable to the Contractor as described in Section  
132 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central  
133 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,  
134 in the Final 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The  
135 Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in  
136 Exhibit "C", which is incorporated herein by reference;

137 (m) "Full Cost Rate", pursuant to CVPIA Section 3405(d), shall mean an  
138 annual rate, as determined by the Contracting Officer that shall amortize the expenditures for  
139 construction properly allocable to the Project irrigation or M&I functions, as appropriate, of  
140 facilities in service including all O&M deficits funded, less payments, over such periods as may  
141 be required under Federal Reclamation law, or applicable contract provisions. Interest will  
142 accrue on both the construction expenditures and funded O&M deficits from October 12, 1982,  
143 on costs outstanding at that date, or from the date incurred in the case of costs arising subsequent  
144 to October 12 1982, and shall be calculated in accordance with subsections 202(3)(B) and (3)(C)  
145 of the Reclamation Reform Act of 1982. The Full Cost Rate includes actual operation,

146 maintenance, and replacement costs consistent with Section 426.2 of the Rules and Regulations  
147 for the Reclamation Reform Act of 1982;

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

150 (o) “Irrigation Full Cost Water Rate”, pursuant to CVPIA Section 3405(d),  
151 shall mean the Full Cost Rate applicable to the delivery of Irrigation Water;

152 (p) “Irrigation Water or Agricultural Water” shall mean the use of Project  
153 Water to irrigate lands primarily for the production of commercial agricultural crops or livestock,  
154 and domestic and other uses that are incidental thereto;

155 (q) “Landholder” shall mean a party that directly or indirectly owns or leases  
156 nonexempt land, as provided in 43 CFR 426.2;

157 (r) “Municipal and Industrial (M&I) Water” shall mean the use of Project  
158 Water for municipal, industrial, and miscellaneous other purposes not falling under the definition  
159 of “Irrigation Water” or within another category of water use under an applicable Federal  
160 authority;

161 (s) “M&I Full Cost Water Rate”, pursuant to CVPIA Section 3405(d), shall  
162 mean the Full Cost Rate applicable to the delivery of M&I Water;

163 (t) “Operation and Maintenance” or “O&M” shall mean normal and  
164 reasonable care, control, operation, repair, replacement (other than capital replacement), and  
165 maintenance of Project facilities;

166 (u) “Operating Non-Federal Entity” shall mean the entity(ies), its (their)  
167 successors or assigns, which has (have) the obligation to operate and maintain all or a portion of  
168 the Delta Division Facilities pursuant to written agreement(s) with the United States. When this  
169 Contract was entered into, the Operating Non-Federal Entities were the San Luis & Delta-  
170 Mendota Water Authority and, with respect to San Luis Unit facilities, the California Department  
171 of Water Resources, and the Contractor;

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

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

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

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

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

188 (aa) "San Luis Unit" shall mean the Project facilities constructed pursuant to  
189 the Act of June 3, 1960 (74 Stat. 156), including the San Luis Canal;

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

193 (cc) “Tiered Pricing Component” shall be the incremental amount to be paid  
194 for each acre-foot of Water Delivered as described in Article 7 of this Contract and as provided  
195 for in Exhibit “B”;

196 (dd) “Water Delivered” or “Delivered Water” shall mean Project Water  
197 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting  
198 Officer;

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

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

205 (gg) “Year” shall mean the period from and including March 1 of each  
206 Calendar Year through the last day of February of the following Calendar Year.

207 TERM OF CONTRACT – RIGHT TO USE OF WATER

208 2. (a) This Contract shall be effective January 1, 2021, hereinafter known as the  
209 “Effective Date”, and shall continue so long as the Contractor pays applicable Rates and Charges  
210 under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat.  
211 1195) as applicable, and applicable law;

212 (1) Provided, That the Contracting Officer shall not seek to terminate  
213 this Contract for failure to fully or timely pay applicable Rates and Charges by the Contractor,  
214 unless the Contracting Officer has first provided at least sixty (60) calendar days written notice  
215 to the Contractor of such failure to pay and the Contractor has failed to cure such failure to pay,

216 or to diligently commence and maintain full curative payments satisfactory to the Contracting  
217 Officer within the sixty (60) calendar days' notice period;

218 (2) Provided, further, That the Contracting Officer shall not seek to  
219 suspend making water available or declaring Water Made Available pursuant to this Contract for  
220 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the  
221 Contracting Officer has first provided at least thirty (30) calendar days written notice to the  
222 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence  
223 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully  
224 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has  
225 suspended making water available pursuant to this paragraph, upon cure of such non-compliance  
226 satisfactory to the to the Contracting Officer, the Contracting Officer shall resume making water  
227 available and declaring Water Made Available pursuant to this Contract;

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

230 (b) Upon complete payment of the Repayment Obligation by the Contractor,  
231 and notwithstanding any Additional Capital Obligation that may later be established, the acreage  
232 limitations, reporting, and full cost pricing provisions of the Reclamation Reform Act of 1982,  
233 and subdivisions (j) Eligible Lands, (k) Excess Lands, and (n) Ineligible Lands of Article 1 of  
234 this Contract shall no longer be applicable.

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

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

241 WATER TO BE FURNISHED TO THE CONTRACTOR

242 3. (a) In the Year commencing with March 1 following execution of this  
243 Contract and each Year thereafter during the remainder of the term of this Contract, the United  
244 States shall furnish to the Contractor and the Contractor shall accept and pay for, as provided in  
245 Article 7 hereof, 10,080 acre-feet of water from the Delta-Mendota Canal: *Provided, That* at the  
246 option of the Contractor any or all of the water made available under this Contract may be  
247 delivered from the San Luis Canal and paid for at the rate per acre-foot applicable for deliveries  
248 from the San Luis Unit pursuant to Article 7: *Provided further, That* by written notice furnished  
249 to the Contracting Officer before November 1 of any Year the Contractor may decrease the  
250 quantity of water required thereafter to be furnished each Year to the Contractor by the United  
251 States during the remainder of the term of this Contract.

252 (b) In the event the Contractor in any year requires a quantity of water in  
253 addition to the quantity it is obligated to accept and pay for pursuant to Article 3, such additional  
254 water, if available as determined by the Contracting Officer, shall be furnished by the United  
255 States in accordance with a revised schedule submitted pursuant to Article 4. The furnishing by  
256 the United States and acceptance by the Contractor of such additional quantity of water shall  
257 neither entitle nor obligate the Contractor to receive such quantities in subsequent years.

258 (c) The Contractor shall comply with requirements applicable to the  
259 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution  
260 of any water service contract between the Contracting Officer and the Contractor in effect

261 immediately prior to the Effective Date undertaken pursuant to Section 7 of the Endangered  
262 Species Act of 1973 (ESA), as amended, that are within the Contractor's legal authority to  
263 implement. The Existing Contract, which evidences diversions for irrigation and/or M&I  
264 purposes since 1977 of the quantities of Project Water provided in subdivision (a) of Article 3 of  
265 this Contract, will be considered in developing an appropriate baseline for any required  
266 biological assessment(s) prepared pursuant to the ESA, and any other needed environmental  
267 review. Nothing herein shall be construed to prevent the Contractor from challenging or seeking  
268 judicial relief in a court of competent jurisdiction with respect to any biological opinion or other  
269 environmental documentation referred to in this Article.

#### 270 SCHEDULES FOR DELIVERY OF WATER

271 4. (a) Before March 1 of each year the Contractor shall submit a schedule  
272 in writing to the Contracting Officer subject to the provisions of Article 3 hereof and this Article,  
273 in a form and from an operational standpoint satisfactory to the Contracting Officer, indicating  
274 the desired times and quantities for the delivery of all water pursuant to this Contract during such  
275 Year. Within the provisions hereof the United States shall attempt to deliver said water in  
276 accordance with said schedule or any revision thereof satisfactory to the Contracting Officer  
277 submitted by the Contractor within a reasonable time before the desired change of times or  
278 quantities, or both, for delivery: *Provided, That* the United States shall not be obligated to deliver  
279 water from the Delta-Mendota Canal to the Contractor during the months of December and  
280 January.

281 (b) If in any Year after the Contracting Officer has approved a schedule or any  
282 revision thereof submitted by the Contractor pursuant to subdivision (a) of this Article, the United  
283 States is unable to furnish any portion of the water in the quantities and at the times requested in

284 the schedule and the Contractor does not elect to receive and does not receive such water at other  
285 times during such Year, the Contractor shall be entitled to an adjustment as provided in Article 9  
286 of this Contract.

287 (c) If the Contractor during any month is furnished a quantity of water in  
288 addition to that which it has requested for such month in its schedule and accepts such water, the  
289 Contractor shall be deemed to have revised its schedule and ordered such additional water and the  
290 United States shall be deemed to have accepted such revision as satisfactory. As soon thereafter  
291 as possible, the Contractor shall submit a revised schedule to the United States for the remaining  
292 quantity to be delivered during that Year.

293 (d) The Contractor will use all proper methods to secure the economical and  
294 beneficial use of water furnished pursuant to this Contract.

295 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

296 5. (a) The water to be furnished to the Contractor from the Delta-Mendota Canal  
297 will be delivered through permanent facilities as constructed by the United States at Mileposts  
298 90.52 Right and 90.53 Right, and from the San Luis Canal at Milepost 89.67 Left and 89.66 Left,  
299 or at such other point or points as may be agreed upon between the Contracting Officer and the  
300 Contractor.

301 (b) The Contractor shall construct and install, without cost or expense to the  
302 United States, temporary facilities required by the Contractor to take and convey the water from  
303 the point or points of delivery along the San Luis Canal. The Contractor will furnish for  
304 approval of the Contracting Officer drawings showing the construction to be performed by the  
305 Contractor at least 6 months before starting construction on property of the United States. The  
306 Contractor will not commence construction of any facilities on the property of the United States



307 without the Contracting Officer's written approval of the drawings submitted by the Contractor.

308 It is specifically recognized and agreed that this Contract does not grant to the Contractor any

309 right of access to Project water or to lands of the United States for any purpose except as

310 provided herein for installation, operation, and maintenance of the Contractor's facilities to take

311 Project water.

312 (c) The Contracting Officer shall make all reasonable efforts, consistent with

313 the most efficient overall operation of the Project, to maintain sufficient flows and levels of

314 water in the Delta-Mendota Canal and San Luis Canal to furnish water to the Contractor at the

315 full designed capacity of the turnouts established as delivery points pursuant to subdivision (a) of

316 this article.

317 (d) The Contractor shall deliver Irrigation Water in accordance with any

318 applicable land classification provisions of Federal Reclamation law and the associated

319 regulations. Water furnished to the Contractor pursuant to this Contract shall not be sold or

320 otherwise disposed of for use outside the Contractor's service area without the written consent of

321 the Contracting Officer.

322 (e) All Water Delivered pursuant to this Contract at the points of delivery

323 established pursuant to subdivision (a) of this Article shall be measured by the United States with

324 equipment installed, operated, and maintained by the Contracting Officer. Upon the request of

325 the Contractor, the accuracy of such measurements will be investigated by the Contracting Officer

326 and any errors appearing therein adjusted.

327 (f) The Contracting Officer shall not be responsible for the control, carriage,

328 handling, use, disposal, or distribution of water which may be furnished at the delivery points

329 established pursuant to subdivision (a) of this Article, nor for claim of damage of any nature

330 whatsoever, including but not limited to property damage, personal injury or death, arising out of  
331 or connected with the control, carriage, handling, use, disposal, or distribution of such water  
332 beyond such delivery point.

333 MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

334 6. (a) The Contractor has established a measuring program satisfactory to the  
335 Contracting Officer. The Contractor shall ensure that all surface water delivered for irrigation  
336 purposes within the Contractor's Service Area is measured at each agricultural turnout and such  
337 water delivered for M&I purposes is measured at each M&I service connection. The water  
338 measuring devices or water measuring methods of comparable effectiveness must be acceptable  
339 to the Contracting Officer. The Contractor shall be responsible for installing, operating,  
340 maintaining, and repairing all such measuring devices and implementing all such water  
341 measuring methods at no cost to the United States. The Contractor shall use the information  
342 obtained from such water measuring devices or water measuring methods to ensure its proper  
343 management of the water; to bill water users for water delivered by the Contractor; and, if  
344 applicable, to record water delivered for M&I purposes by customer class as defined in the  
345 Contractor's water conservation plan provided for in Article 21 of this Contract. Nothing herein  
346 contained, however, shall preclude the Contractor from establishing and collecting any charges,  
347 assessments, or other revenues authorized by California law.

348 (b) To the extent the information has not otherwise been provided, upon  
349 execution of this Contract, the Contractor shall provide to the Contracting Officer a written  
350 report describing the measurement devices or water measuring methods being used or to be used  
351 to implement subdivision (a) of this Article and identifying the agricultural turnouts and the M&I  
352 service connections or alternative measurement programs approved by the Contracting Officer,

353 at which such measurement devices or water measuring methods are being used, and, if  
354 applicable, identifying the locations at which such devices and/or methods are not yet being used  
355 including a time schedule for implementation at such locations. The Contracting Officer shall  
356 advise the Contractor in writing within 60 days as to the adequacy and necessary modifications,  
357 if any, of the measuring devices or water measuring methods identified in the Contractor's report  
358 and if the Contracting Officer does not respond in such time, they shall be deemed adequate. If  
359 the Contracting Officer notifies the Contractor that the measuring devices or methods are  
360 inadequate, the parties shall within 60 days following the Contracting Officer's response,  
361 negotiate in good faith the earliest practicable date by which the Contractor shall modify said  
362 measuring devices and/or measuring methods as required by the Contracting Officer to ensure  
363 compliance with subdivision (a) of this Article.

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

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

370 (e) The Contractor shall inform the Contracting Officer and the Operating  
371 Non-Federal Entity(ies) on or before the 20<sup>th</sup> calendar day of each month of the quantity of  
372 Irrigation Water and M&I Water taken during the preceding month.

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

375 7. (a) Notwithstanding the Contractor's full prepayment of the Repayment  
376 Obligation pursuant to Section 4011, subsection (a)(2)(A) and subsection (a)(3)(A) of the WIIN

377 Act, as set forth in Exhibit “C”, and any payments required pursuant to Section 4011, subsection  
378 (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described in this  
379 Article, subsection (b), the Contractor’s Project construction and other obligations shall be  
380 determined in accordance with: (i) the Secretary’s ratesetting policy for Irrigation Water adopted  
381 in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent with the  
382 WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only through  
383 a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated  
384 rules and regulations, or policies, and (iii) other applicable provisions of this Contract. Payments  
385 shall be made by cash transaction, electronic funds transfers, or any other mechanism as may be  
386 agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and  
387 Tiered Pricing Component applicable to the Contractor upon execution of this Contract are set  
388 forth in Exhibit “B”, as may be revised annually.

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

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

397 (A) The amount due and payable to the United States, pursuant  
398 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been  
399 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth

400 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual  
401 installments (Irrigation Only) to be repaid no later than three (3) years after the Effective Date of  
402 this Contract as set forth in Exhibit "C". The Repayment Obligation is due in lump sum by  
403 March 1, 2021 as provided by the WIIN Act. The Contractor must provide appropriate notice to  
404 the Contracting Officer in writing no later than thirty (30) days prior to the Effective Date, if  
405 electing to repay the amount due using the lump sum alternative. If such notice is not provided  
406 by such date, the Contractor shall be deemed to have elected the installment payment alternative,  
407 in which case, the first such payment shall be made no later than March 1, 2021 The second  
408 payment shall be made no later than the first anniversary of the first payment date. The third  
409 payment shall be made no later than the second anniversary of the first payment date. The final  
410 payment shall be made no later than January 1, 2024 If the installment payment option is elected  
411 by the Contractor, the Contractor may pre-pay the remaining portion of the Repayment  
412 Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the  
413 Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using  
414 the same methodology as was used to compute the initial annual installment payment amount,  
415 which is illustrated in Exhibit "C". Notwithstanding any Additional Capital Obligation that may  
416 later be established, receipt of the Contractor's payment of the Repayment Obligation to the  
417 United States shall fully and permanently satisfy the Existing Capital Obligation.

418 (B) Additional Capital Obligations that are not reflected in, the  
419 schedules referenced in Exhibit "C" and properly assignable to the Contractor, shall be repaid as  
420 prescribed by the WIIN Act without interest except as required by law. Consistent with Federal  
421 Reclamation law, interest shall continue to accrue on the M&I portion of the Additional Capital  
422 Obligation assigned to the Contractor until such costs are paid. Increases or decreases in the

423 Additional Capital Obligation assigned to the Contractor caused solely by annual adjustment of  
424 the Additional Capital Obligation assigned to each Project contractor by the Secretary shall not  
425 be considered in determining the amounts to be paid pursuant to this subdivision (a)(2)(B),  
426 however, will be considered under subdivision (b) of this Article. A separate agreement shall be  
427 established by the Contractor and the Contracting Officer to accomplish repayment of the  
428 Additional Capital Obligation assigned to the Contractor within the timeframe prescribed by the  
429 WIIN Act, subject to the following:

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

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

442 (b) In the event that the final cost allocation referenced in Section 4011(b) of  
443 the WIIN Act determines that the costs properly assignable to the Contractor are greater than  
444 what has been paid by the Contractor, the Contractor shall be obligated to pay the remaining  
445 allocated costs. The term of such additional repayment contract shall be not less than one (1)

446 year and not more than ten (10) years, however, mutually agreeable provisions regarding the rate  
447 of repayment of such amount may be developed by the Contractor and Contracting Officer. In  
448 the event that the final cost allocation indicates that the costs properly assignable to the  
449 Contractor are less than what the Contractor has paid, the Contracting Officer shall credit such  
450 overpayment as an offset against any outstanding or future obligations of the Contractor, with the  
451 exception of Restoration Fund charges pursuant to Section 3407(d) of Pub. L. 102-575.

452 (c) Effective the March 1, following the Effective Date and each March 1  
453 thereafter, the Contracting Officer shall adjust the Rates, Charges, and Tiered Pricing  
454 Component set forth in subdivision (a) of this Article in accordance with the then current water  
455 ratesetting policies of the Project.

456 (d) The Contractor shall make payments to the United States each Year at the  
457 Rates provided in subdivision (a) of this Article for the quantity of water which the Contractor is  
458 required to pay for during such Year pursuant to the provisions of Article 3. Before January 1 of  
459 the Year following execution of this Contract the Contractor shall pay the amount payable  
460 pursuant to the approved schedule for the months of January and February immediately  
461 following. Before the end of said month of January and before the end of each month thereafter  
462 the Contractor shall pay the amount payable pursuant to the latest approved schedule, during the  
463 second month immediately following. Adjustments between the payment for the scheduled  
464 quantities of water and the payment for quantities actually made available each month shall be  
465 made during the following month: *Provided, That* any revised schedule which increases the  
466 Contractor's water deliveries shall be accompanied with appropriate payment to assure water is  
467 not delivered in advance of payment. By February 1 of each Calendar Year, the Contractor shall  
468 make any additional payment it is obligated to make for that Year pursuant to Article 3.

469           (e)     The Contractor shall also make a payment in addition to the Rate(s) in  
470 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the  
471 appropriate Tiered Pricing Component then in effect, before the end of the month following the  
472 month of delivery; Provided, That the Contractor may be granted an exception from the Tiered  
473 Pricing Component pursuant to subdivision (f)(2) of this Article. The payments shall be  
474 consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the  
475 water delivery report for the subject month prepared by the Operating Non-Federal Entity(ies) or,  
476 if there is no Operating Non-Federal Entity(ies), by the Contracting Officer. The water delivery  
477 report shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing  
478 Component for Water Delivered. Adjustment for overpayment or underpayment of Charges  
479 shall be made through the adjustment of payments due to the United States for Charges for the  
480 next month. Any amount to be paid for past due payment of Charges and Tiered Pricing  
481 Component shall be computed pursuant to Article 15 of this Contract.

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



492 Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to  
493 subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract  
494 Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in  
495 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

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

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

509 (g) For the term of this Contract, Rates applied under the respective  
510 ratesetting policies will be established to recover only reimbursable O&M (including any  
511 deficits) and capital costs of the Project, as those terms are used in the then-current Project  
512 ratesetting policies, and interest, where appropriate, except in instances where a minimum Rate is  
513 applicable in accordance with the relevant Project ratesetting policy. Changes of significance in  
514 practices which implement the Contracting Officer's ratesetting policies will not be implemented

515 until the Contracting Officer has provided the Contractor an opportunity to discuss the nature,  
516 need, and impact of the proposed change.

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

525 (i) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting  
526 Officer is authorized to adjust determinations of ability to pay every five years.

527 (j) In the event the Contractor in any year is unable, fails, or refuses to accept  
528 delivery of the quantities of water scheduled and made available for delivery and for which  
529 payment is required pursuant to this Contract or if the Contractor in any year fails to submit a  
530 schedule under subdivision (a) of Article 4, said inability, failure, or refusal shall not relieve the  
531 Contractor of the obligation to pay for said water and the Contractor agrees to make payment  
532 therefor in the same manner as if said water had been delivered to and accepted by the  
533 Contractor in accordance with this Contract.

534 NON-INTEREST BEARING O&M DEFICITS

535 8. The Contractor and the Contracting Officer concur that, as of the Effective Date  
536 the Contractor has no non-interest bearing O&M deficits and shall have no further liability  
537 therefore.

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APPLICATION OF PAYMENTS AND ADJUSTMENTS

9. The amount of any overpayment by the Contractor by reason of the quantity of water actually available for the Contractor during any year, as conclusively determined by the Contracting Officer, having been less than the quantity of such water which the Contractor otherwise under the provisions of this Contract would have been required to receive and pay for, shall be applied first to any accrued indebtedness arising out of this Contract then due and owing to the United States by the Contractor and any amount of such overpayment then remaining shall, at the option of the Contractor be refunded to the Contractor or credited upon amounts to become due to the United States from the Contractor under the provisions hereof in the ensuing year.

TEMPORARY REDUCTIONS – RETURN FLOWS

10. (a) The United States may temporarily discontinue or reduce the quantity of water to be furnished to the Contractor as herein provided for the purposes of such investigation, inspection, maintenance, repair, or replacement as may be necessary of any of the Project facilities necessary for the furnishing of water to the Contractor, or any part thereof, but so far as feasible the United States will give the Contractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given, In the event of any such discontinuance or reduction, the United States, upon resumption of service, will attempt to deliver the quantity of water which would have been furnished to the Contractor in the absence of such contingency.

(b) The United States reserves the right to all waste, seepage and return-flow water derived from water furnished to the Contractor hereunder and which escapes or is discharged beyond the Contractor's boundaries and nothing herein shall be construed as an

561 abandonment or a relinquishment by the United States of any such water, but this shall not be  
562 construed as claiming for the United States any right, as waste, seepage, or return flow, to water  
563 being used pursuant to this Contract for surface irrigation or underground storage within the  
564 Contractor's boundaries by the Contractor or those claiming by, through, or under the  
565 Contractor's Service Area.

566 CONSTRAINTS ON THE AVAILABILITY OF WATER

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

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

578 COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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

584 PROTECTION OF WATER AND AIR QUALITY

585 13. (a) The Contractor, without expense to the United States, will care for,  
586 operate and maintain transferred works in a manner that preserves the quality of the water at the  
587 highest feasible level as determined by the Contracting Officer.

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

593 (c) The Contractor will comply with all applicable water and air pollution  
594 laws and regulations of the United States and the State of California; and will obtain all required

595 permits or licenses from the appropriate Federal, State, or local authorities necessary for the  
596 delivery of water by the Contractor; and shall be responsible for compliance with all Federal,  
597 State, and local water quality standards applicable to surface and subsurface drainage and/or  
598 discharges generated through the use of Federal or Contractor facilities or Project Water  
599 provided by the Contractor within its Service Area.

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

602 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN FROM THE UNITED  
603 STATES

604 14. (a) Water or water rights now owned or hereafter acquired by the Contractor  
605 other than from the United States and Project water furnished pursuant to the terms of this  
606 contract may be transported through distribution facilities of the Contractor if the Contracting  
607 Officer determines that such mingling is necessary to avoid a duplication of facilities: *Provided,*  
608 *That* such water is not transported through the Contractor's facilities constructed or financed by  
609 the United States. Notwithstanding such mingling, the provisions of this Contract shall apply  
610 only to the quantity of water furnished to the Contractor pursuant to the terms hereof and the  
611 quantity of water acquired by or available to the Contractor other than from the United States  
612 shall not in any manner be subject to the provisions of this Contract.

613 (b) With respect to the distribution works or portions thereof in which  
614 mingling is permitted as provided in subdivision (a) of this Article, the Contractor:

615 (l) At the request of the Contracting Officer, the Contractor will be  
616 responsible for the installation, operation, and maintenance of water measuring equipment at  
617 delivery points to excess lands and, further, will be responsible for the installation, operation,  
618 and maintenance of similar equipment for measuring the water available to the Contractor or  
619 landowners within the Contractor's Service Area other than from the Project, and the  
620 Contracting Officer may check and inspect said equipment at any time; and

621                   (2)     Agrees that the quantity of water furnished to it by the United  
622 States during each 24-hour period will be delivered by the Contractor through the aforesaid  
623 outlets to Eligible Lands only. The Contractor shall be deemed to be in breach of this Article  
624 and Article 14 of this Contract if at any time there is furnished to all Excess Lands not covered  
625 by recordable contracts and served by the distribution works or portions thereof in which  
626 mingling is permitted, quantity of water which is greater than that which the Contractor or  
627 landowners within the Contractor's service area have introduced into said system from the supply  
628 available other than pursuant to this Contract.

629                   (c)     The Contractor may request transportation of water available to it from  
630 sources other than the United States through facilities of the United States. The terms and  
631 conditions of such service shall be agreed upon prior to initial transportation of water.

632                                   CHARGES FOR DELINQUENT PAYMENTS

633                   15.   (a)     The Contractor shall be subject to interest, administrative, and penalty  
634 charges on delinquent payments. If a payment is not received by the due date, the Contractor  
635 shall pay an interest charge on the delinquent payment for each day the payment is delinquent  
636 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in  
637 addition to the interest charge, an administrative charge to cover additional costs of billing and  
638 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor  
639 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the  
640 payment is delinquent beyond the due date, based on the remaining balance of the payment due  
641 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt  
642 collection services associated with a delinquent payment.

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

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

650                                   EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

666 (c) The Contractor will not discharge or in any other manner discriminate  
667 against any employee or applicant for employment because such employee or applicant has  
668 inquired about, discussed, or disclosed the compensation of the employee or applicant or another  
669 employee or applicant. This provision shall not apply to instances in which an employee who  
670 has access to the compensation information of other employees or applicants as part of such  
671 employee's essential job functions discloses the compensation of such other employees or  
672 applicants to individuals who do not otherwise have access to such information, unless such  
673 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,  
674 proceeding, hearing, or action, including an investigation conducted by the employer, or is  
675 consistent with the Contractor's legal duty to furnish information.

676 (d) The Contractor will send to each labor union or representative of workers  
677 with which it has a collective bargaining agreement or other contract or understanding, a notice,  
678 to be provided by the Contracting Officer, advising the labor union or workers' representative of  
679 the Contractor's commitments under Section 202 of Executive Order No. 11246 of September  
680 24, 1965, and shall post copies of the notice in conspicuous places available to employees and  
681 applicants for employment.

682 (e) The Contractor will comply with all provisions of Executive Order No.  
683 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of  
684 Labor.

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

690 (g) In the event of the Contractor's noncompliance with the nondiscrimination  
691 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be  
692 canceled, terminated, or suspended in whole or in part and the Contractor may be declared

693 ineligible for further Government contracts in accordance with procedures authorized in  
694 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and  
695 remedies invoked as provided in Executive Order No. 11246 of Sept. 24, 1965, or by rule,  
696 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

697 (h) The Contractor will include the provisions of paragraphs (a) through (g) in  
698 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
699 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24,  
700 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor  
701 will take such action with respect to any subcontract or purchase order as may be directed by the  
702 Secretary of Labor as a means of enforcing such provisions, including sanctions for  
703 noncompliance: *Provided, however, That* in the event the Contractor becomes involved in, or is  
704 threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
705 Contractor may request the United States to enter into such litigation to protect the interests of  
706 the United States.

707 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

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

712 (b) The payment of charges becoming due pursuant to this Contract is a  
713 condition precedent to receiving benefits under this Contract. The United States shall not make  
714 water available to the Contractor through Project facilities during any period in which the  
715 Contractor is in arrears in the advance payment of water rates due the United States. The  
716 Contractor shall not deliver water under the terms and conditions of this Contract for lands or  
717 parties that are in arrears in the advance payment of water rates as levied or established by the  
718 Contractor.

719 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

720 18. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
721 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as  
722 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title  
723 III; 42 U.S.C. 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-  
724 336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the  
725 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
726 Interior and/or Bureau of Reclamation.

727 (b) These statutes prohibit any person in the United States from being  
728 excluded from participation in, being denied the benefits of, or being otherwise subjected to  
729 discrimination under any program or activity receiving financial assistance from the Bureau of  
730 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this  
731 Contract, the Contractor agrees to immediately take any measures necessary to implement this



732 obligation, including permitting officials of the United States to inspect premises, programs, and  
733 documents.

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

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

744 PRIVACY ACT COMPLIANCE

745 19. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)  
746 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act  
747 (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting records required  
748 to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the  
749 Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to 43  
750 C.F.R. § 426.18.

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

756 (c) The Contracting Officer or a designated representative shall provide the  
757 Contractor with current copies of the Department of the Interior Privacy Act regulations and the  
758 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-  
759 31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of  
760 information contained in the Landholders' certification and reporting records.

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

765 (e) The Contractor shall forward promptly to the System Manager each  
766 proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of records  
767 filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral; and provide the  
768 System Manager with information and records necessary to prepare an appropriate response to  
769 the requester. These requirements do not apply to individuals seeking access to their own

770 certification and reporting forms filed with the Contractor pursuant to 43 C.F.R. § 426.18 unless  
771 the requester elects to cite the Privacy Act as an authority for the request.

772 (f) Upon complete payment of the Repayment Obligation by the Contractor,  
773 this Article 19 will no longer be applicable.

774 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

775 20. In addition to all other payments to be made by the Contractor pursuant to this  
776 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and  
777 detailed statement submitted by the Contracting Officer to the Contractor for such specific items  
778 of direct cost incurred by the United States for work requested by the Contractor associated with  
779 this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies  
780 and procedures. All such amounts referred to in this Article shall not exceed the amount agreed  
781 to in writing in advance by the Contractor. This Article shall not apply to costs for routine  
782 contract administration.

783 WATER CONSERVATION

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

788 Additionally, an effective water conservation and efficiency program shall be based on the  
789 Contractor's water conservation plan that has been determined by the Contracting Officer to meet  
790 the conservation and efficiency criteria for evaluating water conservation plans established under  
791 Federal law. While the contents and standards of a given water conservation program are  
792 primarily matters of State and local determination, there is a strong Federal interest in developing  
793 an effective water conservation program because of this Contract. The Contractor shall develop  
794 and implement an effective water conservation program for all uses of water which is provided

795 from, or conveyed through, Federally constructed or Federally financed facilities for the  
796 Contractor's use. The original water conservation program shall specify definite objectives,  
797 appropriate existing and proposed water conservation measures including, but not limited to,  
798 changes in water uses and modifications in the design or operation of existing or proposed  
799 distribution systems, and time schedules for meeting the water conservation objectives.

800 (b) The original water conservation program shall be submitted to and approved  
801 by the Contracting Officer prior to one or all of the following: (1) service of Federally  
802 stored/conveyed water; (2) transfer of Operation and Maintenance of the Project facilities to the  
803 Contractor; or (3) transfer of the Project to an Operation and Maintenance status. The distribution  
804 and use of Federally stored/conveyed water and/or the operation of Project facilities transferred  
805 to the Contractor shall be consistent with the approved water conservation program. Following  
806 date of execution of this Contract, and at subsequent 5-year intervals, the Contractor and  
807 Contracting Officer shall review the original water conservation plan to determine if the  
808 objectives set forth therein are being met. If it is determined that the water conservation measures  
809 set forth therein require codification to further the established objectives, the Contractor and the  
810 Contracting Officer shall work together to formulate the modifications which the Contractor shall  
811 then be required to implement.

812 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

813 22. The expenditure or advance of any money or the performance of any obligation of  
814 the United States under this Contract shall be contingent upon appropriation or allotment of  
815 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any  
816 obligations under this Contract. No liability shall accrue to the United States in case funds are  
817 not appropriated or allotted.

818 BOOKS, RECORDS, AND REPORTS

819 23. The Contractor shall establish and maintain accounts and other books and records  
820 pertaining to administration of the terms and conditions of this Contract, including the

821 Contractor's financial transactions; water supply data; project operations, maintenance, and  
822 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop  
823 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting  
824 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on  
825 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws  
826 and regulations, each party to this Contract shall have the right during office hours to examine  
827 and make copies of the other party's books and records relating to matters covered by this  
828 Contract.

829 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

830 24. The provisions of this Contract shall apply to and bind the successors and assigns  
831 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein  
832 by either party shall be valid until approved in writing by the other party.

833 SEVERABILITY

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

849

OFFICIALS NOT TO BENEFIT

850 26. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
851 the Contractor shall benefit from this Contract other than as a water user or landowner in the  
852 same manner as other water users or landowners.

853

CHANGES IN CONTRACTOR'S ORGANIZATION AND/OR SERVICE AREA

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

859

NOTICES

860 28. Any notice, demand, or request authorized or required by this Contract shall be  
861 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or  
862 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,  
863 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,  
864 postage prepaid, or delivered to the Board of Directors of the Pacheco Water District, P. O. Box  
865 2657, Los Banos, CA 93635. The designation of the addressee or the address may be changed  
866 by notice given in the same manner as provided in this Article for other notices.

867

RECLAMATION REFORM ACT OF 1982

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

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

875

CERTIFICATION OF NONSEGREGATED FACILITIES

876 30. The Contractor hereby certifies that it does not maintain or provide for its  
877 employees any segregated facilities at any of its establishments and that it does not permit its  
878 employees to perform their services at any location under its control where segregated facilities  
879 are maintained. It certifies further that it will not maintain or provide for its employees any  
880 segregated facilities at any of its establishments and that it will not permit its employees to

881 perform their services at any location under its control where segregated facilities are  
882 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal  
883 Employment Opportunity clause in this Contract. As used in this certification, the term  
884 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,  
885 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,  
886 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing  
887 facilities provided for employees which are segregated by explicit directive or are in fact  
888 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,  
889 disability, or otherwise. The Contractor further agrees that (except where it has obtained  
890 identical certifications from proposed subcontractors for specific time periods) it will obtain  
891 identical certifications from proposed subcontractors prior to the award of subcontracts  
892 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment  
893 Opportunity clause; that it will retain such certifications in its files; and that it will forward the  
894 following notice to such proposed subcontractors (except where the proposed subcontractors  
895 have submitted identical certifications for specific time periods):

896 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR  
897 CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

903 MEDIUM FOR TRANSMITTING PAYMENT

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

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

912 CONTRACT DRAFTING CONSIDERATIONS

913 32. This amended Contract has been negotiated and reviewed by the parties hereto,  
914 each of whom is sophisticated in the matters to which this amended Contract pertains. The  
915 double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by

916 the parties, and no one party shall be considered to have drafted the stated Articles. Single-  
917 spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

918 CONFIRMATION OF CONTRACT

919 33. Promptly after the execution of this amended Contract, the Contractor will  
920 provide to the Contracting Officer a certified copy of a final decree of a court of competent  
921 jurisdiction in the State of California, confirming the proceedings on the part of the Contractor  
922 for the authorization of the execution of this amended Contract. This amended Contract shall not  
923 be binding on the United States until the Contractor secures a final decree.

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

926 UNITED STATES OF AMERICA

927 By: \_\_\_\_\_  
928 Regional Director  
929 Interior Region 10: California-Great Basin  
930 Bureau of Reclamation

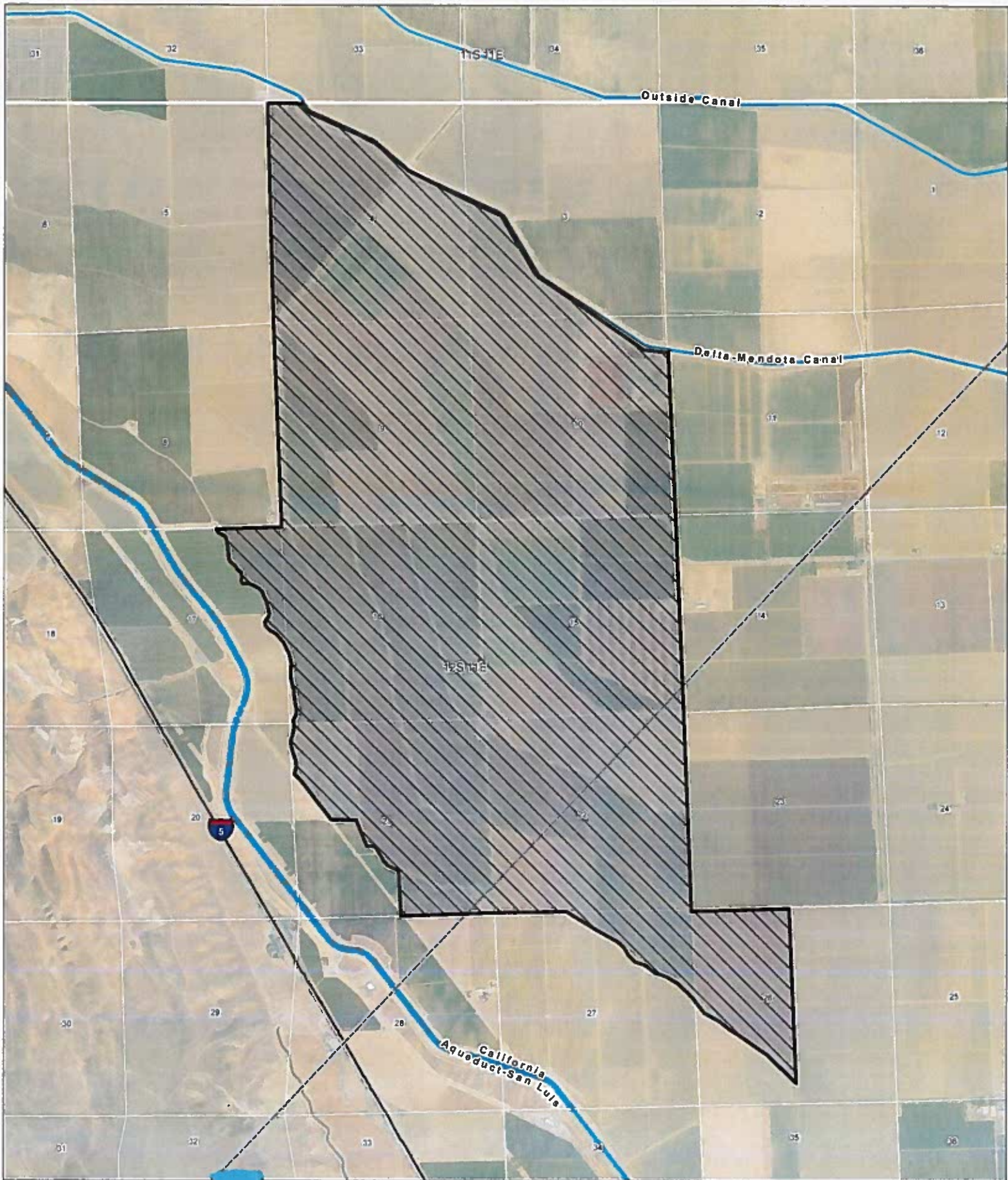
931 PACHECO WATER DISTRICT  
932 (SEAL)



933 By: \_\_\_\_\_  
934 President of the Board of Directors

935 Attest:

936 By: \_\_\_\_\_  
937 Secretary of the Board of Directors





-  District Boundary
-  Contractor's Service Area

## Pacheco Water District

Contract No. 6-07-20-W0469-BA-P  
Exhibit A



BUREAU OF  
RECLAMATION



805-202-128

**EXHIBIT B  
 PACHECO WATER DISTRICT  
 2020 Rates and Charges  
 (Per Acre-Foot)**

	Delta-Mendota Canal <sup>1</sup>		San Luis Canal - Tracy	
	CVP AG Water	CVP M&I Water	CVP AG Water	CVP M&I Water
<b>COST-OF-SERVICE (COS) RATE</b>				
Construction Costs	\$0.00		\$0.00	\$0.00
DMC Aqueduct Intertie	\$0.00		\$0.00	
<b>O&amp;M Components</b>				
Water Marketing	\$8.97		\$8.97	\$6.12
Storage	\$18.01		\$18.01	\$14.99
Conveyance				
Conveyance Pumping				
Direct Pumping				
Deficit Cost Component (American Recovery and Reinvestment Act (ARRA) included)	\$0.02		\$0.00	\$9.80
<b>TOTAL COS RATE</b>	<b>\$27.00</b>		<b>\$26.98</b>	<b>\$30.91</b>
<b>IRRIGATION FULL-COST RATE</b>				
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient	TBD		TBD	
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	TBD		TBD	
<b>M&amp;I FULL COST RATE</b>				
				TBD
<b>TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)</b>				
<b>IRRIGATION</b>				
Tier 2 Rate: >80% <=90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate]/2 (Amount to be added to Tier 1 Rate)	TBD		TBD	
Tier 3 Rate: >90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate] (Amount to be added to Tier 1 Rate)	TBD		TBD	
<b>M&amp;I</b>				
Tier 2 Rate: >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 (Amount to be Added to Tier 1 Rate)				TBD
Tier 3 Rate: >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] (Amount to Be Added to Tier 1 Rate)				TBD
<b>CHARGES AND ASSESSMENTS (Payments in addition to Rates)</b>				
P.L. 102-575 Surcharge (Restoration Fund Payment) [Section 3407(d)(2)(A)]	\$10.91		\$10.91	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) [Appendix B, Section 203]	\$0.12		\$0.12	\$0.12

**EXPLANATORY NOTES**

<sup>1</sup> Contractor does not take water from the Delta-Mendota Canal.

The CVP M&I Water Shortage Policy per EIS/EIR dated August 2015 and Record of Decision dated November 2015 defines the M&I Historic Use as the average quantity of CVP water put to beneficial use during the last three years of water deliveries, unconstrained (100% allocation) by the availability of CVP water for South of the Delta. Contractor's last three years in acre feet (AF) are revised as follows. 2006 = 12 AF, 2011 = 11 AF, 2017 = 0 AF, which equals a M&I Historic use average quantity of 8 AF.

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

# Exhibit C<sup>@</sup>

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

### Unpaid Construction Cost from the 2020 Water Rate Books\*

Contractor: Pacheco Water District  
 Facility: Delta-Mendota Canal (San Luis Canal - Tracy provided separate)  
 Contract: 6-07-20-W0469-BA-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba)		
	Unpaid Cost	Discount
Construction Cost	\$ 321,632	
2019 Repayment **	\$ -	
2020 Repayment (Estimate) **	\$ -	
Adjusted Construction Cost	\$ 321,632	\$ 309,168
Intertie Construction Cost (N/A):	\$ 7,600	\$ 6,522
<b>Total</b>	<b>\$ 329,232</b>	<b>\$ 315,690</b>
If Paid in Installments (Used 20 yr CMT)		
Due****		
Payment 1	1/1/2021	\$ 80,338
Payment 2	1/1/2022	\$ 80,338
Payment 3	1/1/2023	\$ 80,338
Payment 4	1/1/2024	\$ 80,338
<b>Total Installment Payments</b>		<b>\$ 321,353</b>
20 yr CMT Rates - 12/14/2020 (to be adjusted to effective date of contract)®		1.430%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		0.715%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ -
2019 Repayment **	\$ -
2020 Repayment (Estimate) **	\$ -
<b>Adjusted Construction Cost***:</b>	<b>\$ -</b>

Calculation Support: Irrigation Lump Sum or First Payment\*\*\*\* 1/1/2021  
 Days Until the End of the Fiscal Year 272

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total	
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values	
2021	\$ 321,632	\$ 32,163	\$ 31,766	\$ 7,600	\$ 177	\$ 175	\$ 31,940	
2022	\$ 289,469	\$ 32,163	\$ 31,708	\$ 7,423	\$ 177	\$ 174	\$ 31,882	
2023	\$ 257,306	\$ 32,163	\$ 31,483	\$ 7,247	\$ 177	\$ 173	\$ 31,656	
2024	\$ 225,142	\$ 32,163	\$ 31,260	\$ 7,070	\$ 177	\$ 172	\$ 31,431	
2025	\$ 192,979	\$ 32,163	\$ 31,038	\$ 6,893	\$ 177	\$ 171	\$ 31,208	
2026	\$ 160,816	\$ 32,163	\$ 30,817	\$ 6,716	\$ 177	\$ 169	\$ 30,987	
2027	\$ 128,653	\$ 32,163	\$ 30,599	\$ 6,540	\$ 177	\$ 168	\$ 30,767	
2028	\$ 96,490	\$ 32,163	\$ 30,381	\$ 6,363	\$ 177	\$ 167	\$ 30,548	
2029	\$ 64,326	\$ 32,163	\$ 30,166	\$ 6,186	\$ 177	\$ 166	\$ 30,331	
2030	\$ 32,163	\$ 32,163	\$ 29,951	\$ 6,009	\$ 177	\$ 165	\$ 30,116	
2031-63				\$ 5,833	\$ 5,833	\$ 4,823	\$ 4,823	
<b>Total, Lump Sum Payment</b>		<b>\$ 309,168</b>				<b>\$ 6,522</b>	<b>\$ 315,690</b>	

Amount of Reduction, Lump Sum \$ 12,464 \$ 1,078 \$ 13,542

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

\*\* 2019 Repayment is based on the Annual Accounting Analysis for the District.

2020 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.

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

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

~ M&I Credit from Schedule A-2Ba has been applied to Irrigation Unpaid Amount.

® To be updated. The WIIN Act requires us to have a Constant Maturity Treasury rate based on the effective date of the contract.

# Exhibit C<sup>(a)</sup>

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

### Unpaid Construction Cost from the 2020 Water Rate Books\*

**Contractor:** Pacheco Water District  
**Facility:** San Luis Canal - Tracy (Delta-Mendota Canal provided separate)  
**Contract:** 6-07-20-W0469-BA-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba)			
	Unpaid Cost	Discount	
Construction Cost	~ \$ 882,364		
2019 Repayment **	\$ 216,986		
2020 Repayment (Estimate) **	\$ 46,175		
Adjusted Construction Cost	\$ 619,203	\$ 595,208	
Intertie Construction Cost (N/A):	\$ 139,905	\$ 120,059	
<b>Total</b>	<b>\$ 759,108</b>	<b>\$ 715,268</b>	
If Paid in Installments (Used 20 yr CMT)			
	Due****		
Payment 1	1/1/2021	\$ 182,025	
Payment 2	1/1/2022	\$ 182,025	
Payment 3	1/1/2023	\$ 182,025	
Payment 4	1/1/2024	\$ 182,025	
Total Installment Payments		\$ 728,099	
20 yr CMT Rates - 12/14/2020 (to be adjusted to effective date of contract)®		1.430%	
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		0.715%	

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)		
	Unpaid Cost	
Construction Cost:	~ \$ 1,550	
2019 Repayment **	\$ -	
2020 Repayment (Estimate) **	\$ -	
Adjusted Construction Cost***:	\$ 1,550	

**Calculation Support:** Irrigation Lump Sum or First Payment\*\*\*\* 1/1/2021  
 Days Until the End of the Fiscal Year 272

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total	
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values	
2021	\$ 619,203	\$ 61,920	\$ 61,155	\$ 139,905	\$ 3,254	\$ 3,213	\$ 64,369	
2022	\$ 557,283	\$ 61,920	\$ 61,044	\$ 136,651	\$ 3,254	\$ 3,208	\$ 64,252	
2023	\$ 495,363	\$ 61,920	\$ 60,611	\$ 133,398	\$ 3,254	\$ 3,185	\$ 63,796	
2024	\$ 433,442	\$ 61,920	\$ 60,181	\$ 130,144	\$ 3,254	\$ 3,162	\$ 63,343	
2025	\$ 371,522	\$ 61,920	\$ 59,753	\$ 126,891	\$ 3,254	\$ 3,140	\$ 62,893	
2026	\$ 309,602	\$ 61,920	\$ 59,329	\$ 123,637	\$ 3,254	\$ 3,117	\$ 62,447	
2027	\$ 247,681	\$ 61,920	\$ 58,908	\$ 120,383	\$ 3,254	\$ 3,095	\$ 62,003	
2028	\$ 185,761	\$ 61,920	\$ 58,490	\$ 117,130	\$ 3,254	\$ 3,073	\$ 61,563	
2029	\$ 123,841	\$ 61,920	\$ 58,075	\$ 113,876	\$ 3,254	\$ 3,052	\$ 61,126	
2030	\$ 61,920	\$ 61,920	\$ 57,662	\$ 110,623	\$ 3,254	\$ 3,030	\$ 60,692	
2031-63				\$ 107,369	\$ 107,369	\$ 88,784	\$ 88,784	
<b>Total, Lump Sum Payment</b>			<b>\$ 595,208</b>			<b>\$ 120,059</b>	<b>\$ 715,268</b>	

Amount of Reduction, Lump Sum \$ 23,995 \$ 19,846 \$ 43,841

\* Costs are assumed to be paid and all charges are assumed to be accurate. If at a later date charges are determined to need update, they are still required. Also, unpaid charges are still a requirement under contract.  
 \*\* 2019 Repayment is based on the Annual Accounting Analysis for the District.  
 2020 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.  
 \*\*\* Excludes Interest to payment date as Interest will be computed as an annual expense as usual.  
 \*\*\*\* Contractor has 60 days from the effective date of the contract or installment dates to make payment.  
 ~ M&I Credit from Schedule A-2Ba has been applied to Irrigation Unpaid Amount.  
 ® To be updated. The WIIN Act requires us to have a Constant Maturity Treasury rate based on the effective date of the contract.