

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

LONG-TERM CONTRACT BETWEEN THE UNITED STATES
AND
CAWELO WATER DISTRICT
PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

Table of Contents

Article No.	Title	Page No.
	Preamble	1
	Explanatory Recitals	1
1	Definitions	3
2	Term Of Contract.....	5
3	Introduction, Conveyance, And Delivery Of Non-Project Water	6
4	Measurement Of Non-Project Water	8
5	Operation And Maintenance By Operating Non-Federal Entity	10
6	Payments And Adjustments.....	11
6.1	Payment For Power.....	13
7	Medium For Transmitting Payments	14
8	Excess Capacity	14
9	Acreage Limitation Provisions	15
10	Receipt And Distribution Of Non-Project Water—Sale, Transfer, Or Exchange Of Non-Project Water	15
11	Water Conservation	16
12	United States Not Liable.....	18
13	Opinions And Determinations	19
14	Protection Of Water And Air Quality.....	19
15	Charges For Delinquent Payments	21
16	Equal Employment Opportunity	21
17	Certification Of Nonsegregated Facilities	23
18	Compliance With Civil Rights Laws And Regulations	23
19	General Obligation—Benefits Conditioned Upon Payment.....	24
20	Books, Records, And Reports.....	24
21	Contingent Upon Appropriation Or Allotment Of Funds.....	25
22	Assignment Limited—Successors And Assigns Obligated.....	25
23	Officials Not To Benefit	25
24	Changes In Contractor's Organization	25
25	Notices	25
26	Incorporation Of Exhibits	25
27	Contract Drafting Considerations	26

Signature Page 27

Exhibit A – Contractor’s Map and Zone 7’s Place of Use

Exhibit B – Conveyance Rates

Exhibit C – Source(s) of Contractor’s Non-Project Water

Exhibit D – Water Quality Standards

Exhibit E – Approved Labs

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

5 CONTRACT BETWEEN THE UNITED STATES
6 AND
7 CAWELO WATER DISTRICT
8 PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

9 THIS CONTRACT, made this _____ day of _____, 20____, pursuant
10 to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
11 supplementary thereto, including but not limited to the Act of February 21, 1911 (36 Stat. 925),
12 and Section 305 of the Act of March 5, 1992 (106 Stat. 59) Reclamation States Emergency
13 Drought Relief Act of 1991, as amended, and Section 3408 (c) of the Central Valley Project Act
14 of 1992 (106 Stat. 4728), all collectively hereinafter referred to as the Federal Reclamation laws,
15 between the UNITED STATES OF AMERICA, hereinafter referred to as the United States,
16 represented by the officer executing this Contract, hereinafter referred to as the Contracting
17 Officer, and CAWELO WATER DISTRICT, hereinafter referred to as the Contractor;

18 WITNESSETH, That:

19 EXPLANATORY RECITALS

20 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
21 Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood
22 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
23 restoration, generation and distribution of electric energy, salinity control, navigation and other
24 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and
25 the San Joaquin River and their tributaries; and

26 [2nd] WHEREAS, the Contractor and Alameda County Flood Control and Water
27 Conservation District, Zone 7 (Zone 7) entered into an Agreement dated June 21, 2006, which
28 provides that Zone 7 may deliver up to 10,000 acre-feet annually of its State Water Project water
29 (Non-Project Water) to the Contractor and the Contractor will store one-half of that annual
30 amount, up to a cumulative total of 120,000 acre-feet, in the Contractor's groundwater bank for
31 Zone 7's future use; and

32 [3rd] WHEREAS, during Dry Years (as defined in Article 1.(d)(1) of this Contract), the
33 Contractor desires to use the Project Facilities to convey up to 20,000 acre-feet annually of Zone
34 7's previously banked Non-Project Water to Kern County Water Agency (KCWA) some or all of
35 KCWA's other thirteen State Water Project subcontractors (Belridge Water Storage District,
36 Berrenda Mesa Water District, Buena Vista Water Storage District, Henry Miller Water District,
37 Kern County Water Agency Improvement District #4, Kern Delta Water District, Lost Hills
38 Water District, Rosedale-Rio Bravo Water Storage District, Semitropic Water Storage District,
39 Tehachapi-Cummings County Water District, Tejon-Castaic Water District, West Kern Water
40 District, and Wheeler Ridge-Maricopa Water Storage District) for exchange and ultimate
41 delivery for M&I use by Zone 7; and

42 [4th] WHEREAS, currently, the only KCWA subcontractor with an exchange
43 agreement with the Contractor is Kern County Water Agency Improvement District #4; and

44 [5th] WHEREAS, the Contractor shall provide, to the Contracting Officer, any
45 additional exchange agreements required by the Contractor before any conveyance of
46 Non-Project Water occurs under those additional agreements; and

47 [6th] WHEREAS, the United States is willing to convey said Non-Project Water for the
48 Contractor through Excess Capacity in the Project Facilities in accordance with the terms and
49 conditions hereinafter stated; and

50 NOW, THEREFORE, in consideration of the covenants herein contained, the parties
51 agree as follows:

52 DEFINITIONS

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

55 (a) “Agreement” shall mean the Agreement between Alameda County Flood
56 Control and Water Conservation District, Zone 7 and Cawelo Water District for a Water Banking
57 and Exchange Program executed on June 21, 2006;

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

60 (c) “Contracting Officer” shall mean the Secretary of the Interior’s duly
61 authorized representative acting pursuant to this Contract or applicable Reclamation law or
62 regulation;

63 (d) Omitted;

64 (d.1) “Dry Year” shall mean a year wherein the Contractor’s State Water
65 Project water supply entitlement is reduced by the State of California, Department of Water
66 Resources thereby limiting the Contractor’s ability to deliver its State Water Project water
67 supply to Zone 7;

68 (e) Omitted;

69 (f) “Excess Capacity” shall mean capacity in the Project Facilities in excess
70 of that needed to meet the Project’s authorized purposes, as determined solely by the Contracting
71 Officer, which may be made available to convey and deliver Non-Project Water;

72 (g) Omitted;

73 (h) Omitted;

74 (i) Omitted;

75 (j) Omitted;

76 (k) “Municipal and Industrial Water” or “M&I Water” shall mean Non-
77 Project Water that is made available for purposes other than the commercial production of
78 agricultural crops or livestock, including domestic use incidental thereto;

79 (l) “Non-Project Water” shall mean water acquired by or available to the
80 Contractor from the source(s) identified in Exhibit C that has not been appropriated by the
81 United States;

82 (m) “Operating Non-Federal Entity” shall mean the non-federal entity that has
83 the obligation pursuant to a separate agreement with the United States to operate and maintain all
84 or a portion of the Project Facilities, and which may have funding obligations with respect
85 thereto;

86 (m.1) “Place of Use” shall mean the geographic area within which the
87 Contractor is authorized to deliver the Non-Project Water for ultimate M&I use as set forth on
88 Exhibit A, which may be modified without amendment of this Contract;

89 (n) “Project” shall mean the Central Valley Project, owned by the United
90 States and managed by the Department of the Interior, Bureau of Reclamation;

91 (o) "Project Facilities" shall mean the Friant Kern Canal and associated
92 facilities, constructed as features of the Friant Division, Central Valley Project;

93 (p) "Rates" shall mean the amount to be paid to the United States by the
94 Contractor, as set forth in Exhibit B, for the use of Excess Capacity in the Project Facilities made
95 available pursuant to this Contract;

96 (q) "RRA" shall mean the Reclamation Reform Act of October 12, 1982
97 (96 Stat. 1263), as amended;

98 (r) "Secretary" shall mean the Secretary of the Interior, a duly appointed
99 successor, or an authorized representative acting pursuant to any authority of the Secretary and
100 through any agency of the Department of the Interior; and

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

103 TERM OF CONTRACT

104 2. This Contract shall become effective on the date hereinabove written and shall
105 remain in effect through February 28, 2026, and annually thereafter extended upon mutual
106 agreement between the Contractor and the Contracting Officer through December 31, 2035. The
107 Contractor shall submit a request for extension of this Contract in writing to the Contracting
108 Officer no later than February 28, 2024 and two years in advance of the expiration date of any
109 subsequent extended Contracts. *Provided*, That upon written notice to the Contractor, this
110 Contract may be terminated by the Contracting Officer at an earlier date, if the Contracting
111 Officer determines that the Contractor has not been complying with one or more terms or
112 conditions of this Contract.

113 INTRODUCTION, CONVEYANCE, AND DELIVERY OF NON-PROJECT WATER

114 3. (a) During the term of this Contract, the Contractor may introduce up to
115 20,000 acre-feet of Non-Project Water annually into the Project Facilities as provided in Exhibit
116 A. The United States or the designated Operating Non-Federal Entity shall convey the
117 Non-Project Water through Excess Capacity in the Project Facilities from said point(s) of
118 introduction for delivery for the Contractor from the Friant-Kern Canal into the Cross Valley
119 Canal or other location(s) mutually agreed to in writing by the Contracting Officer and the
120 Contractor, in accordance with an approved schedule submitted by the Contractor pursuant to
121 subdivision (c) of this Article: *Provided*, That the quantity of Non-Project Water to be delivered
122 for the Contractor in Project Facilities shall not exceed the quantity of Non-Project Water
123 previously introduced into the Project Facilities by the Contractor said point(s) of introduction,
124 less 5 percent for conveyance losses.

125 (b) All Non-Project Water conveyed and delivered for the Contractor pursuant
126 to this Contract shall be used as M&I Water.

127 (c) Prior to the introduction of Non-Project Water into the Project Facilities
128 and at the beginning of the then-current Year, the Contractor shall submit a schedule to the
129 Contracting Officer and the designated Operating Non-Federal Entity showing the quantities (by
130 month) of Non-Project Water to be introduced into and diverted from the Project Facilities, and
131 the desired time or times for delivery of said Non-Project Water: *Provided*, That the Contractor
132 is not required to initially schedule delivery of the maximum quantity of Non-Project Water for
133 which the Contractor desires conveyance during the then-current Year. The initial schedule and
134 any revision(s) thereof shall be in a form acceptable to the Contracting Officer and shall be

135 submitted at such times and in such manner as determined by the Contracting Officer. The
136 Contractor shall not introduce Non-Project Water into the Project Facilities unless and until the
137 schedule and any revision(s) thereof have been approved by the Contracting Officer in writing.

138 (d) All Non-Project Water remaining in the Project Facilities after 30 days
139 from the date of introduction or upon expiration or termination of this Contract shall be deemed
140 to be unused water donated to the United States for Project purposes. Further, all Non-Project
141 Water introduced into and conveyed in the Project Facilities that is not accepted by the intended
142 recipient by the end of the then-current Year shall be deemed to be unused water donated to the
143 United States for Project purposes.

144 (e) Unless otherwise agreed to in writing by the Contracting Officer, the
145 Non-Project Water shall be introduced into and delivered for the Contractor through existing
146 Project Facilities. If inflow or delivery facilities are required to effectuate the introduction of
147 Non-Project Water into the Project Facilities or the delivery of the Non-Project Water from the
148 Project Facilities, the Contractor shall, at its own cost and expense obtain all necessary rights-of-
149 way for such facilities, including the appropriate right-of-use agreement(s) or other
150 authorizations issued by the United States for any such facilities located on right-of-way for
151 existing Project Facilities. The Contractor, at its own cost and expense, shall be responsible for
152 providing, installing, operating, maintaining, repairing, and replacing said inflow and delivery
153 facilities. The Contractor hereby grants to the Contracting Officer and the Operating
154 Non-Federal Entity access to all inflow and delivery facilities installed by the Contractor.

155 (e.1) The Contractor has entered into discussions with the Contracting Officer
156 in compliance with Article 3 (e) above. Long-term License for the Erection, Operation, and

157 Maintenance of Structures Contract number 08-LC-20-9640 CVP-2672, Index No. 68-69, Unit
158 No. 444-445 is under development. The terms of the License are herewith incorporated, by
159 reference, into this Contract.

160 (f) The introduction, conveyance, and delivery of Non-Project Water
161 pursuant to this Contract will not be supported with Project-use energy. If electrical power is
162 required to pump the Non-Project Water into, through or from the Project Facilities, the
163 Contractor shall be responsible for acquiring all electrical power.

164 (g) The introduction of Non-Project Water into the Project Facilities by the
165 Contractor shall be conditioned upon compliance by the Contractor with the environmental
166 measures described in the environmental documentation prepared in connection with the
167 execution of this Contract and with the terms of the applicable operations procedures approved
168 by the Contracting Officer.

169 MEASUREMENT OF NON-PROJECT WATER

170 4. (a) All Non-Project Water shall be measured and recorded at the point(s) of
171 introduction and point(s) of delivery established pursuant to Article 3 herein with measurement
172 devices acceptable to the Contracting Officer and the methods used to make such measurements
173 shall be in accordance with sound engineering practices.

174 (b) Unless otherwise agreed to in writing by the Contracting Officer, the
175 Contractor, at its own cost and expense, shall be responsible for providing, installing, operating,
176 maintaining, repairing, and replacing all measurement devices required under this Contract in
177 accordance with any right-of-use agreement(s) or other requisite authorization(s) issued by the

178 United States. The Contractor shall be responsible for all costs associated with the issuance of
179 such right-of-use agreement(s) and authorization(s).

180 (c) The Contractor shall maintain accurate records of the quantity of
181 Non-Project Water, expressed in acre-feet, introduced into and delivered from Project Facilities
182 at said authorized point(s) of introduction and delivery and shall provide such records to the
183 Contracting Officer and the Operating Non-Federal Entity at such times and in such manner as
184 determined by the Contracting Officer.

185 (c.1) The Contractor shall be responsible for providing the Contracting Officer
186 with monthly operational reports demonstrating the Contractor has introduced sufficient Non-
187 Project Water into the Project Facilities to offset the amount of Non-Project Water delivered for
188 the Contractor from the Project Facilities sufficiently accounting for any conveyance losses.

189 (d) Upon the request of either party to this Contract, the Contracting Officer
190 shall investigate, or cause to be investigated by the Operating Non-Federal Entity, the accuracy
191 of all measurements of Non-Project Water required by this Contract. If the investigation
192 discloses errors in the recorded measurements, such errors shall be promptly corrected. If the
193 investigation discloses that measurement devices are defective or inoperative, the Contracting
194 Officer shall take any necessary actions to ensure that the responsible party makes the
195 appropriate adjustments, repairs, or replacements to the measurement devices. In the event the
196 Contractor, as the responsible party, neglects or fails to make such adjustments, repairs, or
197 replacements to the measurement devices within a reasonable time and to the reasonable
198 satisfaction of the Contracting Officer, the Contracting Officer may cause such adjustments,
199 repairs, or replacements to be made and the costs thereof shall be charged to the Contractor and

200 the Contractor shall pay said charges to the United States immediately upon receipt of a detailed
201 billing therefor. For any period of time during which accurate measurements of the Non-Project
202 Water have not been made, the Contracting Officer shall consult with the Contractor and the
203 Operating Non-Federal Entity prior to making a determination of the quantity of Non-Project
204 Water conveyed during that period of time and such determination by the Contracting Officer
205 shall be final and binding on the Contractor.

206 OPERATION AND MAINTENANCE BY OPERATING NON-FEDERAL ENTITY

207 5. (a) The operation and maintenance of a portion of the Project Facilities to be
208 used to convey and deliver the Non-Project Water for the Contractor, and responsibility for
209 funding a portion of the costs of such operation and maintenance, have been transferred from the
210 United States to the Friant Water Authority, the designated Operating Non-Federal Entity,
211 pursuant to a separate agreement, identified as Contract No. 8-07-20-X0356, dated March 1,
212 1998, as amended February 23, 2003, and as assigned June 30, 2004. That separate agreement
213 shall not interfere with or affect the rights or obligations of the Contractor or the United States
214 hereunder.

215 (b) The Contractor shall pay directly to the Friant Water Authority, or to any
216 successor approved by the Contracting Officer under the terms and conditions of the separate
217 agreement described in subdivision (a) of this Article, all rates, charges, or assessments of any
218 kind, including any assessment for reserve funds, that the or such successor determines, sets, or
219 establishes for the operation and maintenance of the portion of the Project Facilities operated and
220 maintained by the Friant Water Authority or such successor.

221 (c) For so long as the operation and maintenance of any portion of the Project
222 Facilities used to convey and deliver the Non-Project Water to the Contractor is performed by
223 the Friant Water Authority, or any successor thereto, the Contracting Officer shall adjust those
224 components of the Rates for the Non-Project Water conveyed under this Contract by deleting the
225 costs associated with the activity being performed by the Friant Water Authority or its successor.

226 (d) In the event the United States reassumes operation and maintenance of any
227 portion of the Project Facilities from the Operating Non-Federal Entity, the Contracting Officer
228 shall so notify the Contractor, in writing, and shall revise the Rates on Exhibit B to include the
229 costs associated with the operation and maintenance activities reassumed by the United States.
230 The Contractor shall, thereafter, in the absence of written notification from the Contracting
231 Officer to the contrary, pay the Rates, specified in the revised Exhibit B directly to the United
232 States in compliance with Article 6 of this Contract.

233 PAYMENTS AND ADJUSTMENTS

234 6. (a) Upon execution of this Contract by the Contractor, the Contractor shall
235 pay to the United States the sum of \$500. Such amount shall constitute an administrative charge
236 hereunder.

237 (b) At the time the Contractor submits a schedule, or any revision(s) thereof
238 pursuant to subdivision (c) of Article 3 herein, the Contractor shall make an advance payment to
239 the United States equal to the total amount payable pursuant to the applicable Rates shown on
240 Exhibit B for each acre-foot of Non-Project Water to be introduced into the Project Facilities.
241 Non-Project Water shall not be introduced into Project Facilities by the Contractor prior to such
242 payment being received by the United States.

243 (b.1) The Contractor shall pay for conveyance of any Non-Project Water in two
244 advance semiannual installments based upon the amounts of Non-Project Water scheduled to be
245 conveyed through the Project Facilities.

246 (b.2) The Contracting Officer shall revise Exhibit B, as needed, to keep the
247 Rate(s) specified therein consistent with the then-existing Project M&I ratesetting policy but not
248 more frequent than annually.

249 (c) The quantity of Non-Project Water delivered to the Contractor shall not
250 exceed the quantity of Non-Project Water introduced into the Project Facilities by the Contractor
251 pursuant to subdivision (a) of Article 3 herein. If the Contractor does not provide sufficient
252 Non-Project Water supplies to offset the amount of Non-Central Valley Project Water diverted
253 from the Project Facilities, the Contractor shall take appropriate actions to make sufficient
254 Non-Project Water supplies available to account for the total amount diverted. Unauthorized
255 diversion(s), if any, shall be cured to the satisfaction of the Contracting Officer and may include
256 pumping additional quantities of Non-Project for Reclamation's use, and/or payment and interest
257 penalties as appropriate. The provisions of this subdivision are not exclusive and shall not
258 prevent the United States from exercising any other remedy, including the early termination of
259 this Contract pursuant to Article 2 of this Contract.

260 (d) The amount of any overpayment by the Contractor by reason of the
261 quantity of Non-Project Water introduced into the Project Facilities and conveyed pursuant to
262 this Contract, as conclusively determined by the Contracting Officer, having been less than the
263 quantity which the Contractor otherwise under the provisions of this Contract would have been
264 required to pay for, shall be applied first to any accrued indebtedness arising out of this Contract

265 then due and owing to the United States by the Contractor. Any amount of such overpayment
266 then remaining shall be refunded to the Contractor: Provided, however, That no refund shall be
267 made by the United States to the Contractor for any quantity of Non-Project Water deemed to be
268 unused water donated to the United States for Project purposes pursuant to subdivision (d) of
269 Article 3 herein nor for the administrative charge required pursuant to subdivision (a) of this
270 Article.

271 (e) All payments made by the Contractor pursuant to subdivision (b) of this
272 Article shall be covered into the Reclamation Fund pursuant to Section 3 of the Act of February
273 21, 1911 (36 Stat. 925).

274 (f) The payment of the Rates set forth in this Article for the use of Excess
275 Capacity are exclusive of operation & maintenance costs to be paid directly to the Operating
276 Non-Federal Entity by the Contractor, and any additional charges that the Contractor may assess
277 its water users. In accordance with the Act of February 21, 1911 (36 Stat. 925), the Contractor
278 may not impose on its water users any charge for the use of Excess Capacity that exceeds the
279 amount paid to the United States and to the Operating Non-Federal Entity: Provided, That the
280 Contractor may also charge its water users such additional amounts as are necessary to cover the
281 Contractor's reasonable administrative costs in contracting with the United States for the use of
282 Excess Capacity in the Project Facilities.

283 PAYMENT FOR POWER

284 6.1 The introduction, conveyance, and delivery of Non-Project Water pursuant to this
285 Contract will not be supported with Project-use energy. The Contractor shall be responsible for
286 acquiring and paying all applicable power and associated transmission service charges required

287 to convey the Non-Project Water. A letter of confirmation has been submitted by the Contractor
288 to the Contracting Officer outlining the source, type, amount, and duration of use of the power
289 that is to be provided. Project use power will not be the source of power under this Contract.

290 MEDIUM FOR TRANSMITTING PAYMENTS

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

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

299 EXCESS CAPACITY

300 8. (a) The availability of Excess Capacity shall be determined solely by the
301 Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States
302 from utilizing available capacity in the Project Facilities for the storage and conveyance of
303 Project Water pursuant to Federal law, Reclamation law or policy, and existing contract(s); or
304 (2) for using Excess Capacity in the Project Facilities for the storage and conveyance of any
305 other supplies of Non-Project Water.

306 (b) The Contracting Officer and the Operating Non-Federal Entity shall not be
307 obligated to convey Non-Project Water during periods of maintenance or for other operating
308 requirements, including any routine termination of service for dewatering of the Project
309 Facilities.

310 (c) If at any time the Contracting Officer determines that there will not be
311 Excess Capacity in the Project Facilities sufficient to allow the Non-Project Water to be

312 introduced into, conveyed, and delivered in accordance with an approved schedule submitted by
313 the Contractor, the Contracting Officer shall so notify the Contractor in writing. Within 24 hours
314 of said notice, the Contractor shall revise its schedule accordingly.

315 (d) No provision of this Contract shall be construed in any way as a basis for
316 the Contractor to establish a priority to or a permanent right to the use of Excess Capacity in the
317 Project Facilities nor to set a precedent to obligate the United States to enter into contracts with
318 any other entities or individuals for the conveyance or storage of Non-Project Water.

319 (d.1) The Contractor shall remain responsible for any coordination with the
320 State and/or any other entity deemed necessary to complete the introduction of Non-Project
321 Water into or out of the Project Facilities under this Contract.

322 ACREAGE LIMITATION PROVISIONS

323 9. Omitted.

324 RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER—
325 SALE, TRANSFER, OR EXCHANGE OF NON-PROJECT WATER

326 10. (a) The parties hereto acknowledge that this Contract does not grant any
327 permission or entitlement to the Contractor to extract and/or divert Non-Project Water from the
328 source(s) described on Exhibit C or to change the nature or place of use of its rights to said

329 Non-Project Water in any way. It is the responsibility of the Contractor to comply with all
330 applicable Federal, State, and local laws, including, but not limited to, State water law in relation
331 to the Non-Project Water. It is expressly understood by the parties that the United States is only
332 providing conveyance capacity for the Non-Project Water and does not claim any interest in the
333 acquisition or use of the Non-Project Water beyond the terms specifically set forth in this
334 Contract.

335 (b) The Contracting Officer makes no representations as to the accuracy of the
336 description or of the validity of the Contractor's rights to the Non-Project Water described in
337 Exhibit C.

338 (c) No sale, transfer, or exchange of Non-Project Water conveyed under this
339 Contract may take place without the prior written approval of the Contracting Officer except that
340 this Contract recognizes the Contractor's fiduciary responsibility of delivering this Non-Project
341 Water through the Friant Kern Canal and to additional points for delivery to and use by Zone 7.

342 WATER CONSERVATION

343 11. (a) Prior to the delivery of water provided from or conveyed through federally
344 constructed or federally financed facilities pursuant to this Contract, the Contractor shall develop
345 a water conservation plan, consistent with the plans required by Section 210(b) of the RRA and
346 Part 427.1 of the Water Conservation Rules and Regulations effective January 1, 1998.

347 (b) The parties hereto acknowledge and agree that the water conservation
348 plan/program the Contractor is currently implementing is satisfactory to and has been approved
349 by the Contracting Officer. Said water conservation plan/program shall be deemed to meet the
350 requirements of subdivision (a) of this Article. Said water conservation plan/program shall be
351 reviewed every 5 years and revised, as necessary, as determined by the Contracting Officer.

352 Provided, That the Contractor, prior to execution of this Contract, documents to the satisfaction

353 of the Contracting Officer that the quantity of Non-Project Water to be conveyed pursuant to this
354 Contract has been included into its approved water conservation plan/program and that all
355 Non-Project Water shall be subject to such water conservation requirements.

UNITED STATES NOT LIABLE

356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376

12. (a) The United States, its officers, agents and employees, including the Operating Non-Federal Entity, shall not be responsible for the control, care, or distribution of the Non-Project Water before it is introduced into or after it is diverted from the Project Facilities. It is specifically understood by the parties hereto that the United States is only providing conveyance capacity for the Non-Project Water and does not claim any interest in the acquisition or use of the Non-Project Water beyond the terms specifically set forth in this Contract.

(b) The Contractor shall indemnify and hold the United States, its officers, agents and employees, including the Operating Non-Federal Entity, harmless from legal liability for damages of any nature whatsoever arising out of any actions or omissions of the Contractor, its officers, agents and employees, resulting from the Contractor's performance of this Contract, including the manner or method in which the Non-Project Water identified on Exhibit C is introduced into and diverted from the Project Facilities. The Contractor further releases the United States, its officers, agents and employees, including the Operating Non-Federal Entity, from every claim for damage to persons or property, direct or indirect, resulting from the Contracting Officer's (i) determination of the quantity of Excess Capacity available in the Project Facilities for conveyance of the Contractor's Non-Project Water; (ii) the determination that the Non-Project Water introduced into Project Facilities must be terminated; and (iii) the elimination from Exhibit C of any source(s) of Non-Project Water. Nothing contained in this Article shall be construed as an assumption of liability by the Contractor with respect to such matters.

377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400

OPINIONS AND DETERMINATIONS

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

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

PROTECTION OF WATER AND AIR QUALITY

14. (a) Project Facilities used to make available and deliver Non-Project Water for the Contractor shall be operated and maintained in the most practical manner to maintain the quality of the Non-Project Water at the highest level possible as determined by the Contracting Officer: *Provided*, That the United States does not warrant the quality of the Non-Project Water delivered for the Contractor and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of the Non-Project Water delivered for the Contractor.

401 (b) The Contractor shall comply with all applicable water and air pollution
402 laws and regulations of the United States and the State of California; and shall obtain all required
403 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
404 delivery of Non-Project Water by the Contractor; and shall be responsible for compliance with
405 all Federal, State, and local water quality standards applicable to surface and subsurface drainage
406 and/or discharges generated through the use of Project Facilities or Contractor facilities or
407 Non-Project Water provided by the Contractor within the Contractor's Boundaries.

408 (c) This Article shall not affect or alter any legal obligations of the Secretary
409 to provide drainage or other discharge services.

410 (d) The Non-Project Water introduced into the Project Facilities shall be of
411 such quality, as determined solely by the Contracting Officer, as to not significantly degrade the
412 quality of the Project water. If it is determined by the Contracting Officer that the quality of the
413 Non-Project Water from any source(s) identified in Exhibit C will significantly degrade the
414 quality of Project water in or introduced into the Project Facilities, the Contractor shall, upon
415 receipt of a written notice from the Contracting Officer, arrange for the immediate termination of
416 the introduction of Non-Project Water from such sources(s) into the Project Facilities, and
417 Exhibit C shall be modified to delete such sources(s) of Non-Project Water.

418 (e) Exhibit D identifies the water quality standards for the Contractor's
419 Non-Project Water conveyed in the Project Facilities, which standards may be modified by the
420 Contracting Officer, without amendment of this Contract. The Contractor is responsible for
421 sampling and analytical costs associated with evaluating quality of the Non-Project Water.
422 Non-Project Water introduced into Project Facilities for purposes of water quality testing is
423 considered Project water.

424 (f) At all times during the term of this Contract, the Contractor shall be in
425 compliance with the requirements of the then-current Quality Assurance Project Plan (Plan)
426 prepared by the Contracting Officer to monitor Non-Project Water introduced into and conveyed

427 through the Project Facilities. The Plan describes the sample collection procedures, water testing
428 methods, and data review process, including quality control/quality assurance protocols, to verify
429 analytical results.

430 (g) The Contracting Officer reserves the right to require additional analyses to
431 ensure the Non-Project Water meets the Bureau of Reclamation's water quality acceptance
432 criteria.

433 CHARGES FOR DELINQUENT PAYMENTS

434 15. (a) The Contractor shall be subject to interest, administrative, and penalty
435 charges on delinquent payments. If a payment is not received by the due date, the Contractor
436 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
437 beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest
438 charge, the Contractor shall pay an administrative charge to cover additional costs of billing and
439 processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to
440 the interest and administrative charges, the Contractor shall pay a penalty charge for each day the
441 payment is delinquent beyond the due date, based on the remaining balance of the payment due
442 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
443 collection services associated with a delinquent payment.

444 (b) The interest charge rate shall be the greater of either the rate prescribed
445 quarterly in the Federal Register by the Department of the Treasury for application to overdue
446 payments or the interest rate of 0.5 percent per month. The interest charge rate will be
447 determined as of the due date and remain fixed for the duration of the delinquent period.

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

451 EQUAL EMPLOYMENT OPPORTUNITY

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

453 (a) The Contractor will not discriminate against any employee or applicant for
454 employment because of race, color, religion, sex, disability, or national origin. The Contractor
455 will take affirmative action to ensure that applicants are employed, and that employees are
456 treated during employment, without regard to their race, color, religion, sex, disability, or
457 national origin. Such action shall include, but not be limited to the following: employment,
458 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination;

459 rates of pay or other forms of compensation; and selection for training, including apprenticeship.
460 The Contractor agrees to post in conspicuous places, available to employees and applicants for
461 employment, notices to be provided by the Contracting Officer setting forth the provisions of
462 this nondiscrimination clause.

463 (b) The Contractor will, in all solicitations or advertisements for
464 employees placed by or on behalf of the Contractor, state that all qualified applicants will receive
465 consideration for employment without regard to race, color, religion, sex, disability, or national
466 origin.

467 (c) The Contractor will send to each labor union or representative of workers
468 with which it has a collective bargaining agreement or other contract or understanding, a notice,
469 to be provided by the Contracting Officer, advising the labor union or workers' representative of
470 the Contractor's commitments under Section 202 of Executive Order 11246 of September 24,
471 1965, and shall post copies of the notice in conspicuous places available to employees and
472 applicants for employment.

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

476 (e) The Contractor will furnish all information and reports required by
477 Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the
478 Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
479 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
480 ascertain compliance with such rules, regulations, and orders.

481 (f) In the event of the Contractor's noncompliance with the nondiscrimination
482 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
483 canceled, terminated or suspended in whole or in part and the Contractor may be declared
484 ineligible for further Government contracts in accordance with procedures authorized in
485 Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and
486 remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule,
487 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

488 (g) The Contractor will include the provisions of paragraphs (a) through (g) in
489 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
490 Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24,
491 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor
492 will take such action with respect to any subcontract or purchase order as may be directed by the
493 Secretary of Labor as a means of enforcing such provisions, including sanctions for
494 noncompliance: *Provided, however,* That in the event the Contractor becomes involved in, or is
495 threatened with, litigation with a subcontractor or vendor as a result of such direction, the

496 Contractor may request the United States to enter into such litigation to protect the interests of
497 the United States.

498 CERTIFICATION OF NONSEGREGATED FACILITIES

499 17. The Contractor hereby certifies that it does not maintain or provide for its
500 employees any segregated facilities at any of its establishments and that it does not permit its
501 employees to perform their services at any location under its control where segregated facilities
502 are maintained. It certifies further that it will not maintain or provide for its employees any
503 segregated facilities at any of its establishments and that it will not permit its employees to
504 perform their services at any location under its control where segregated facilities are
505 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
506 Employment Opportunity clause in this Contract. As used in this certification, the term
507 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,
508 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
509 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
510 facilities provided for employees which are segregated by explicit directive or are in fact
511 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
512 disability, or otherwise. The Contractor further agrees that (except where it has obtained
513 identical certifications from proposed subcontractors for specific time periods) it will obtain
514 identical certifications from proposed subcontractors prior to the award of subcontracts
515 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
516 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
517 following notice to such proposed subcontractors (except where the proposed subcontractors
518 have submitted identical certifications for specific time periods):

519 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT
520 FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

527 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

528 18. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
529 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as amended), the
530 Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq.*), Title II of the Americans with
531 Disabilities Act of 1990, and any other applicable civil rights laws, as well as with their
532 respective implementing regulations and guidelines imposed by the U.S. Department of the
533 Interior and/or Bureau of Reclamation.

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

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

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

550 GENERAL OBLIGATION—BENEFITS CONDITIONED UPON PAYMENT

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

555 (b) The payment of charges becoming due pursuant to this Contract is a
556 condition precedent to receiving benefits under this Contract. The United States shall not make
557 Non-Project Water available to the Contractor through Project Facilities during any period in
558 which the Contractor is in arrears in the advance payment of Rates and charges due the United
559 States. The Contractor shall not deliver Non-Project Water under the terms and conditions of
560 this Contract for lands or parties that are in arrears in the advance payment of rates and charges
561 as levied or established by the Contractor.

562 BOOKS, RECORDS, AND REPORTS

563 20. The Contractor shall establish and maintain accounts and other books and records
564 pertaining to administration of the terms and conditions of this Contract, including the
565 Contractor's financial transactions; water supply data; project land and rights-of-way use
566 agreements; the water users' land-use (crop census), land-ownership, land-leasing, and water-use
567 data; and other matters that the Contracting Officer may require. Reports shall be furnished to
568 the Contracting Officer in such form and on such date or dates as the Contracting Officer may
569 require. Subject to applicable Federal laws and regulations, each party to this Contract shall

570 have the right during office hours to examine and make copies of the other party's books and
571 records relating to matters covered by this Contract.

572 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

573 21. The expenditure or advance of any money or the performance of any obligation of
574 the United States under this Contract shall be contingent upon appropriation or allotment of
575 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
576 obligations under this Contract. No liability shall accrue to the United States in case funds are
577 not appropriated or allotted.

578 ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

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

582 OFFICIALS NOT TO BENEFIT

583 23. No Member of or Delegate to the Congress, Resident Commissioner, or official of
584 the Contractor shall benefit from this Contract other than as a water user or landowner in the
585 same manner as other water users or landowners.

586 CHANGES IN CONTRACTOR'S ORGANIZATION

587 24. While this Contract is in effect, no change may be made in the Contractor's
588 organization, by inclusion or exclusion of lands or by any other changes which may affect the
589 respective rights, obligations, privileges, and duties of either the United States or the Contractor
590 under this Contract including, but not limited to, dissolution, consolidation, or merger, except
591 upon the Contracting Officer's written consent.

592 NOTICES

593 25. Any notice, demand, or request authorized or required by this Contract shall be
594 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
595 delivered to Bureau of Reclamation, 1243 "N" Street, Fresno, CA 93721, and on behalf of the
596 United States, when mailed, postage prepaid, or delivered to Cawelo Water District, 17207
597 Industrial Farm Road, Bakersfield, CA 93308-9519. The designation of the addressee or the
598 address may be changed by notice given in the same manner as provided in this Article for other
599 notices.

600 INCORPORATION OF EXHIBITS

601 26. Exhibits A through E are attached hereto and incorporated herein by reference.

602

CONTRACT DRAFTING CONSIDERATIONS

603 27. The articles or any portions thereof in this Contract that are double-spaced have
604 been drafted, negotiated, and reviewed by the parties hereto, each of whom is sophisticated in the
605 matters to which this Contract pertains, and no one party shall be considered to have drafted the
606 stated articles.

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

THE UNITED STATES OF AMERICA

By: _____
Regional Director, Mid-Pacific Region
Bureau of Reclamation

(SEAL)

CAWELO WATER DISTRICT

By: _____
President of the Board of Directors

Attest:

By: _____
Secretary of the Board of Director

**EXHIBIT A
CAWELO WATER DISTRICT
CONTRACTOR'S MAP AND ZONE 7'S PLACE OF USE**

This is a placeholder page.

EXHIBIT B
YEAR 2011 CONVEYANCE RATES
CAWELO WATER DISTRICT
(Per Acre-Foot)

This is a placeholder page.

EXHIBIT C
SOURCE(S) OF CONTRACTOR'S NON-PROJECT WATER

The source of the Contractor's Non-Project Water supply, commonly known as "Zone 7's banked Non-Central Valley Project water," is described herein below:

Zone 7's banked Non-Central Valley Project water is groundwater pumped from the underlying groundwater basin within the Contractor's boundaries in Section 8, Township 27 South, Range 26 East, Mount Diablo Base and Meridian.

EXHIBIT D
WATER QUALITY STANDARDS

This is a placeholder page.

EXHIBIT E
APPROVED LABS

This is a placeholder page.