

# Reclamation Manual

Directives and Standards

## Contract Compliance Review (CCR) Standard Checklist Version A: Irrigation-Only<sup>1</sup>

<b>A. Cover Information</b>	
This section is completed by Bureau of Reclamation staff prior to the CCR.	
1. <b>Contractor:</b>	
2. <b>Date of CCR:</b>	3. <b>Dates of Period under Review (e.g., irrigation season, water year, calendar year, etc.):</b>
4. <b>Reclamation Region:</b>	5. <b>Area Office:</b>
6. <b>Reviewers (identify lead reviewer<sup>2</sup>):</b>	
7. <b>Type of Review:</b> <input type="checkbox"/> Onsite Review <input type="checkbox"/> Desktop Review	
8. <b>Reclamation Project(s)</b> (include Project Division(s) and Unit(s), as applicable):	
9. <b>List all contracts under review by contract number and identify (1) contract type (e.g., water service, repayment, combination, other), (2) authorizing Federal law(s), and (3) contract repayment term and/or effective dates (execution and termination dates):</b>	
10. <b>Identify the most recent contract action on each contract under review (i.e., an action that created, renewed, amended, or supplemented a contract).</b>	

<sup>1</sup>Use this checklist when the contracts to be listed under section A.9. only allow irrigation uses of contract water.

<sup>2</sup>See Paragraph 7.A. of Reclamation Manual (RM) Directives and Standard (D&S), *Conducting and Documenting Contract Compliance Reviews and Resolving Contract Compliance Issues* (PEC 05-08). This section is included in this irrigation-only checklist because there may be irrigation-only contracts in multipurpose projects and the information is important if conversions are occurring.

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11. **Has Reclamation conducted a CCR with the contractor before? If so, provide the date and a summary of most recent findings, including any compliance issues or potential compliance issues and their current statuses.**

### B. Pre-Review Questions

Reclamation staff completes this section prior to the CCR and reviews it with the contractor during the CCR to ensure consistency. (Mark questions that do not apply with “NA.”)

#### Authorized Project Purposes<sup>3</sup>

1. **What are the authorized project purposes? Identify the source for this information.**
2. **If applicable, provide the statutory water allocation for each project purpose and state whether the Secretary of the Interior has discretion to allocate or reallocate the water among the project purposes.**
3. **Provide any additional information regarding authorized project purposes that is relevant to the review.**

#### Required Monitoring, Records, and Correction of Issues

4. **Is the contractor required by the contract(s) to measure contract water deliveries and monitor types and places of contract water use? If so, identify the relevant contract article(s) and summarize the requirements.**
5. **Is the contractor required by the contract(s) to provide Reclamation with records related to contract water delivery and use? If so, identify the relevant contract article(s) and summarize the requirements.**

<sup>3</sup>“Project Purpose” means “[a] purpose that a Federal water resource project is legislatively authorized to serve” (from RM D&S, *Water and Related Resources Feasibility Studies* (CMP 09-01), Paragraph 3.S.).

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6. Does Reclamation monitor the contractor's water deliveries and/or the places and types of water use (other than through the CCR process)? If so, what sources of data does Reclamation use to determine whether contract water deliveries and uses comply with applicable contract terms and law and how often does Reclamation review these data? What procedure does the region follow if these data indicate a contract compliance issue?

7. Provide any additional information regarding required monitoring, records, and correction of issues that is relevant to the review.

#### Authorized Quantity of Contract Water

8. State the total quantity of contract water to which the contractor was entitled under the contract(s) in the period under review. If this information cannot be provided, explain. Separate project water from non-project water, if applicable.

9. Does Reclamation provide the contractor with a full water supply, a supplemental water supply, or both? Provide details.

10. Do records available to Reclamation indicate how much contract water was delivered in the period under review? If so, state quantity and source of information.

11. Provide any additional information regarding authorized quantity of contract water that is relevant to the review.

#### Authorized Types of Contract Water Use

12. If the contract(s) defines "irrigation," or otherwise defines or limits the authorized water uses, provide the definition/limiting provision(s) below

13. Based on Reclamation's records (including past CCR findings), for what uses does the contractor deliver contract irrigation water? Be as specific as the available information allows in identifying both farm and non-farm (e.g., non-farm residences, parks, schools, golf courses, etc.) uses of irrigation water. Also identify the records used in answering this question.

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14. **Is any contract under review subject to RM Policy, *Water-Related Contracts–General Principles and Requirements* (PEC P05), as issued on July 24, 2013? That is, was any contract under review (1) executed or renewed on or after July 24, 2013, or (2) amended or supplemented on or after July 24, 2013 in a way that provided the contractor new or additional benefits?**

**If so, on what date did the contract become subject to PEC P05 (2013)?**

**Does the contract expressly recognize the application of PEC P05 or incorporate its definition of “irrigation use” (at PEC P05, Paragraph 3.G.)?**

15. **If part of the contractor’s contract water supply is non-project water, provide the details (amount, uses, etc.) and cite the authorizing contract provision(s).**

16. **If any contract under review conditions eligibility for contract water or water rates on tract size and/or income, state the relevant requirements and cite the contract provision.**

17. **Do records available to Reclamation indicate that contract water delivered for irrigation use has been put to another use? If so, state the source of the information and describe the type(s) of use it indicates.**

18. **Provide any additional information regarding authorized types of contract water use that is relevant to the review.**

#### Authorized Places of Water Use

19. **Do the contract(s) and/or associated documents or authorities define the water service area and/or acreage authorized to receive contract water?**

20. **Does available information indicate that contract water is being delivered outside authorized areas or to more than the authorized acreage? If so, provide details.**

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**21. Provide any additional information regarding authorized places of water use that is relevant to the review.**

#### **Payments Required by Contract**

**22. What are the rates/prices for contract water?**

**23. What are the contractor's contractual payment obligations, including operation and maintenance costs?**

**24. Are periodic rate reviews and adjustments provided for under the contract(s)? If so, how often? When was the last rate review and what were the results?**

**25. Are any incidental or miscellaneous revenues credited against the contractor's annual payment obligations to the United States (front-end credits)? If so, state the source of the revenues and the authority for crediting them against the contractor's annual obligations.<sup>4</sup>**

**26. Describe the process used to collect payments required under the contract(s) and to reconcile revenues received with the applicable contractual payment obligations.**

**27. How does the region resolve inconsistencies between contractual payment obligations and the revenues received in payment of those obligations?**

**28. Do Reclamation records indicate that the contractor is current on the payments it is required to make to the United States under the contract(s)?**

<sup>4</sup>See RM Policy, *Incidental Revenues* (PEC P03), and D&S, *Crediting Requirements for Incidental Revenues* (PEC 03-01), for requirements and information relating to incidental revenues generally, and see Paragraph 6.B. of PEC 03-01 regarding front-end credits in particular.

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29. Provide any additional information regarding payments required by contract that is relevant to the review.

### C. Contractor Review Questions

This section is completed during the review based on information provided by the contractor.

#### Contractor's Monitoring, Records, and Correction of Issues

1. How does the contractor ensure that contract water is delivered and used as authorized? Describe the devices and/or processes the contractor uses to measure water deliveries and to monitor the types and places of use.
2. If the contract water supply is supplemental, are the contractor's other supplies authorized for more types and/or places of use than the contract supply?
3. How does the contractor ensure that contract water is delivered and used only as the contract authorizes?
4. How does the contractor address unauthorized deliveries or uses of contract water if they occur?
5. Is the contractor required to report its water deliveries/uses periodically to Reclamation, the State, or another entity? If so, what information is the contractor required to report, who does the contractor report it to, and how often?
6. Provide any additional information regarding the contractor's monitoring, records, and correction of issues that is relevant to the review.

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#### Quantity of Contract Water Delivered

7. According to the contractor's records, how much contract water was delivered in the period under review?
8. If the water made available under the contract(s) supplements other supplies available to the contractor, what percentage or fraction of the contractor's water supply is contract water?
9. Provide any additional information regarding the quantity of water delivered that is relevant to the review.

#### Types of Contract Water Use

10. For what uses does the contractor deliver contract irrigation water? Be specific in identifying any non-farm (e.g., non-farm residences, parks, schools, golf courses, etc.) uses of irrigation water. Also identify the records used in answering this question.
11. Was all contract water delivered for farm irrigation and other uses indicated above in the period under review? If not, provide other type of use to which contract water was delivered and quantity that was delivered.
12. Has any contract water been formally converted from irrigation to another type of use since execution of the contract? If so, indicate the quantities converted, the use(s) to which it was converted, and the formal process(es) through which the water was converted (e.g., contracting action, State change of use process, etc.).
13. Does the contractor distinguish between farm and non-farm irrigation uses for purposes of determining rates, eligibility for water, or otherwise, for instance by assessing smaller tracts or nonagricultural irrigators additional charges? If so, provide details.
14. If any contract under review makes eligibility for contract water or water rates conditional on tract size and/or income, does the contractor deliver any contract water to tracts that are below the size threshold? What does the contract require for delivery to these tracts?

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15. How does the contractor determine whether a change in type of use of contract water has taken place?

16. How does the contractor address changes in use when they occur?

17. If any contract under review is subject to PEC P05, as determined under subsection B.10 above, is any contract water subject to PEC P05's definitions of "irrigation use" and/or "municipal and industrial (M&I) use"? (See attachment A to this Checklist for information regarding PEC P05's water use definitions and assistance in determining their application.) That is, has any contract irrigation water made available under a contract that is subject to PEC P05 changed from "irrigation use" to "M&I use," as PEC P05 defines those terms, since the contract became subject to PEC P05

If so, how has the change in water use been addressed between the contractor and Reclamation, if at all?

18. Describe any urbanization occurring within the contractor's service area that affects or is anticipated to affect the uses being made of contract irrigation water and/or lead to conversions to M&I uses. Are lands receiving contract irrigation water known to be subdividing? If so, how are water uses monitored on subdividing lands to ensure authorized uses?

19. Provide any additional information regarding types of contract water use that is relevant to the review.

#### Places of Contract Water Use

20. Are all lands receiving contract irrigation water within the authorized service area and within authorized acreage limits? If not, how many acres are receiving contract water outside the authorized area or above authorized acreage limits and how much contract water is delivered to them?



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21. **How does the contractor determine whether water is being used outside the authorized service area or above authorized acreage limits?**

22. **Provide any additional information regarding places of contract water use that is relevant to the review.**

#### **Additional Information**

23. **Provide any additional information needed to understand the deliveries and uses of the contractor's contract water in the period under review (e.g., transfers, exchanges, carry-over, etc.).**