

DRAFT

Appendix G Water Contracts and Agreements



IN REPLY REFER TO:

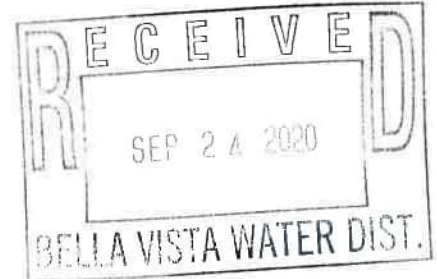
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United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



SEP 15 2020



Mr. David Coxe
Bella Vista Water District
11368 E. Stillwater Way
Redding, CA 96003

Subject: Water Infrastructure Improvements for the Nation Act Contract No. 14-06-200-851A-P
Between the United States and the Bella Vista Water District Providing for Project Water
Service – Central Valley Project, California

Dear Mr. Coxe:

Enclosed is an executed original of the subject contract for your records. The Bureau of Reclamation appreciates the effort expended by the Bella Vista Water District and its representatives relative to this contract.

The exhibit titled, "Repayment Obligation – Current Calculation Under the WIIN Act, Section 4011 (a) (2)", for the Contract Amendment will be finalized on the Effective Date of the Contract Amendment, in accordance with the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322).

If there are any questions, please contact Mr. Stanley Data, Repayment Specialist, at 916-978-5246 or sdata@usbr.gov.

Sincerely,

Ernest
Conant

Digitally signed by
Ernest Conant
Date: 2020.09.15
12:36:16 -07'00'

Ernest A. Conant
Regional Director

Enclosure

SCANNED

G:1 Agency/USBR/Water Service Contracts

200915 F-USBR re Full Executed
WIIN Act Contract No.
14-06-200-851
A-P

**BELLA VISTA WATER DISTRICT
COUNTY OF SHASTA, CALIFORNIA**

Resolution No. 20-08

A Resolution of the Board of Directors of the
Bella Vista Water District

**AUTHORIZING APPROVAL, EXECUTION, AND DELIVERY OF THE AMENDMENT TO
THE EXISTING CONTRACT BETWEEN THE UNITED STATES AND BELLA VISTA
WATER DISTRICT PROVIDING FOR PROJECT WATER SERVICE AND FACILITIES
REPAYMENT**

WHEREAS, the Bella Vista Water District (“District”) and the United States Bureau of Reclamation (“United States”) entered into a contract for water service with the United States in 1964, which provided for the delivery of water diverted through Central Valley Project facilities (“Project Water”) to lands within the District.

WHEREAS, on February 25, 2005, the District and the United States entered into a Long-Term Renewal Contract between the United States and Bella Vista Water District Providing for Water Service from Trinity River Division, Contract No. 14-06-200-851A-LTR1 (“Existing Contract”), which provides the terms and conditions for the renewal of the 1964 Contract and establishes the continuing terms and conditions for the delivery of Project Water to the District.

WHEREAS, on December 16, 2016, the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) (“WIIN Act”) was enacted, providing for the conversion of certain water service contracts to repayment contracts under Section 9(d) of the Act of August 4, 1939 (53 Stat. 1195).

WHEREAS, Section 4011(a)(1) of the WIIN Act provides that “upon request of the contractor, the Secretary of the Interior shall convert any water service contract in effect on the date of enactment of this subtitle and between the United States and a [Contractor] to allow for prepayment of the repayment contract,” and proscribes the method of conversion for those contracts.

WHEREAS, pursuant to section 4011(a) of the WIIN Act, the District requested that the United States Bureau of Reclamation initiate the process to convert the Existing Contract to a repayment contract.

WHEREAS, from 2018 to 2020 the District and the United States engaged in publically noticed negotiation sessions to develop a final form of amendment to the Existing Contract which would implement the conversion authorized and directed by the WIIN Act.

WHEREAS, those terms and conditions are reflected in the attached Amendment to the Existing Contract Between the United States and Bella Vista Water District Providing for Project Water Service and Facilities Repayment ("Amendment").

WHEREAS, the Amendment, if approved, it would continue water service under the terms provided in the Existing Contract, as amended, "so long as the Contractor pays applicable Rates and Charges under the Amendment consistent with Section 9(d)...of the Act of August 4, 1939," and applicable law.

WHEREAS, the Amendment involves no increase in existing water service or contractual water allocations; no new construction, expansion, or any modification to the existing distribution system of the District or the Central Valley Project; nor any change in the source of water to be delivered, the area of its use, or the uses to which such supplies will be put.

WHEREAS, Section 4011(a)(2)(A) of the WIIN Act provides that the converted contract must provide for the repayment of "the remaining construction costs identified in the water project specific irrigation rate schedules, as adjusted to reflect payment not reflected in such schedules, and properly assignable for ultimate return by the contract," such amount to be discounted by $\frac{1}{2}$ the Treasury Rate.

WHEREAS, the United States has notified the District that the remaining construction costs properly assignable to the District under Section 4011(a)(2)(A) is \$1,909,275, which amount shall additionally be discounted by $\frac{1}{2}$ the Treasury Rate as of the effective date of the Amendment.

WHEREAS, the District has reviewed the terms and conditions of the Amendment and finds the form and content thereof to be acceptable to the District and appropriate for execution.

WHEREAS, any Project Water delivered to the District by the United States pursuant to the Existing Contract and the Amendment will be put to a reasonable and beneficial use within the watershed wherein such water originates.

NOW, THEREFORE, BE RESOLVED as follows:

1. The facts set forth in the recitals above and in the documents referenced therein are true and correct.
2. The Amendment in the form attached hereto as Exhibit A, presented to the Board, and on file with the Secretary is hereby approved. If necessary, Exhibit D of the Amendment shall be updated as of the effective date of the Amendment to reflect a discount of $\frac{1}{2}$ the then-current Treasury rate, as required by Section 4011(a)(2)(A) of the WIIN Act.
3. Subject to the foregoing, the President of the District is hereby authorized to execute and deliver the Amendment in the form attached hereto as Exhibit A.

4. The District's officers, staff and consultants are authorized and directed to do all things necessary and appropriate to carry out this Resolution and to ensure continued and uninterrupted water service to the District under its water service contract.
5. A certified copy of this resolution shall be prepared and transmitted by the District's Secretary to the United States Bureau of Reclamation.

Passed and Adopted this 24th day of August 2020 by the following vote:

Ayes: Bambino, Nash, Schabarum, Smith, and Waite

Noes: 0

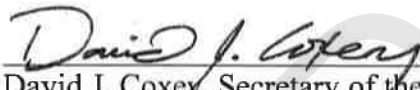
Absent: 0

Abstain: 0



Leimone Waite, President of the Board of
Directors of Bella Vista Water District

ATTEST:



David J. Coxey, Secretary of the Board of
Directors of Bella Vista Water District

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

AMENDMENT TO THE EXISTING CONTRACT BETWEEN THE UNITED STATES
AND
BELLA VISTA WATER DISTRICT
PROVIDING FOR
PROJECT WATER SERVICE AND FACILITIES REPAYMENT
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Exhibit A – Map of Contractor’s Service Area

Exhibit B – Rates and Charges

Exhibit C – Guidelines for Determining If Project Water is Put to Use as
Irrigation Water

Exhibit D – Repayment Obligation and Payoff Schedule

DRAFT

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

AMENDMENT TO THE EXISTING CONTRACT BETWEEN THE UNITED STATES
AND
BELLA VISTA WATER DISTRICT
PROVIDING FOR WATER SERVICE AND FACILITIES REPAYMENT

1 THIS AMENDMENT (“Amendment”) to Long Term Renewal Contract Between the
2 United States and Bella Vista Water District Providing For Project Water Services From Trinity
3 River Division (“Existing Contract”) (collectively, “Contract”), is made this 15th day of
4 September, 2020, in pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts
5 amendatory thereof or supplementary thereto, including but not limited to, the Acts of August
6 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as
7 amended and supplemented, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12,
8 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of
9 October 30, 1992 (106 Stat. 4706), as amended, and the Water Infrastructure Improvements for
10 the Nation Act (Public Law 114-322, 130 Stat. 1628), Section 4011 (a-d) and (f) (“WIIN Act”),
11 all collectively hereinafter referred to as Federal Reclamation law, between the UNITED
12 STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer
13 executing this Amendment, hereinafter referred to as the Contracting Officer, and BELLA
14 VISTA WATER DISTRICT, hereinafter referred to as the Contractor.

15 WITNESSETH, That:

16

EXPLANATORY RECITALS

17

[1st] WHEREAS, the United States and the Contractor entered into Contract Number

18

14-06-200-851A-LTR1, which established terms for the delivery of Project Water to the

19

Contractor from the Trinity River Division, as in effect the date the WIIN Act was enacted, and

20

as may have been amended; and

21

[2nd] WHEREAS, on December 16, 2016, the 114th Congress of the United States of

22

America enacted the WIIN Act; and

23

[3rd] WHEREAS, Section 4011(a)(1) provides that “upon request of the contractor, the

24

Secretary of the Interior shall convert any water service contract in effect on the date of

25

enactment of this subtitle and between the United States and a water users’ association

26

[Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under

27

mutually agreeable terms and conditions.”; and

28

[4th] WHEREAS, Section 4011(a)(1) further provides that “the manner of conversion

29

under this paragraph shall be as follows: (A) Water service contracts that were entered into under

30

section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section shall

31

be converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195)”; and “(B)

32

Water service contracts that were entered under subsection (c)(2) of section 9 of the Act of

33

August 4, 1939 (53 Stat. 1194), to be converted under this section shall be converted to a

34

contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195).”; and

35

[5th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered into

36

pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service, repayment,

37

exchange and transfer contractual rights between the water users’ association [Contractor], and

38 the Bureau of Reclamation, or any rights, obligations, or relationships of the water users’
39 association [Contractor] and their landowners as provided under State law.”; and

40 [6th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
41 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water
42 service or repayment contractor to receive water; or (4) except as expressly provided in this
43 section, any obligations under the reclamation law, including the continuation of Restoration
44 Fund charges pursuant to section 3407(d) (Public Law 102-575), of the water service and
45 repayment contractors making prepayments pursuant to this section.”; and

46 [7th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
47 Secretary to convert irrigation and municipal and industrial (M&I) water service contracts into
48 repayment contracts, amend existing repayment contracts, and allow contractors to prepay their
49 construction cost obligations pursuant to applicable Federal Reclamation law; and

50 [8th] WHEREAS, the Contracting Officer and the Contractor agree to amend the
51 Existing Contract with the execution of this Amendment; and

52 [9th] WHEREAS, the Contracting Officer and the Contractor agree that this
53 Amendment complies with Section 4011 of the WIIN Act.

54 NOW, THEREFORE, in consideration of the covenants herein contained, it is hereby
55 mutually agreed by the parties hereto as follows:

56 **1. Article 1 of the Existing Contract, entitled DEFINITIONS is amended as**
57 **follows:**

58 **a. Subdivisions (m), (o) and (t) of Article 1 of the Existing Contract are**
59 **amended and replaced in their entirety with the following new subdivisions (m), (o) and (t)**

60 (m) "Irrigation Water" shall mean the use of Project Water to irrigate
61 land primarily for the production of commercial agricultural crops or livestock, and domestic and
62 other uses that are incidental thereto.

63 (o) "Municipal and Industrial Water" shall mean the use of Project
64 Water for municipal, industrial, and miscellaneous other purposes not falling under the definition
65 of Irrigation Water or within another category of water use under an applicable Federal authority.

66 The determination of whether Project Water is used as Irrigation Water or M&I Water shall be in
67 accordance with the guidelines set forth in Exhibit "C" attached hereto, which guidelines may be
68 modified by mutual agreement of the parties to this Contract without amending the Contract:

69 Provided, That if during the term of this Contract, a Reclamation-wide rule or regulation is
70 promulgated that defines M&I Water or Irrigation Water or if Congress should enact a law which
71 defines M&I Water or Irrigation Water, such rule, regulations, or law shall supersede this
72 Article 1 (o);

73 (t) "Project Contractors" shall mean all parties who have contracts for
74 water service for Project Water from the Project with the United States pursuant to Federal
75 Reclamation law.

76 **b. Subdivisions (gg) through (ii) are added at the end of Article 1 of the**
77 **Existing Contract as follows:**

78 (gg) "Additional Capital Obligation" shall mean construction costs or
79 other capitalized costs incurred after October 1, 2020 or not reflected in the Existing Capital
80 Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B) and
81 (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Public Law 114-322, 130
82 Stat. 1628) ("WIIN Act").

83 (hh) "Existing Capital Obligation" shall mean the remaining amount of
84 construction costs or other capitalized costs allocable to the Contractor as described in section

85 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
86 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
87 the Central Valley Project 2020 Ratebooks, as adjusted to reflect payments not reflected in such
88 schedule. The Contracting Officer has computed the Existing Capital Obligation and such
89 amount is set forth in Exhibit D, which is incorporated herein by reference.

90 (ii) "Repayment Obligation" for Water Delivered as Irrigation Water
91 shall mean the Existing Capital Obligation discounted by $\frac{1}{2}$ of the Treasury rate, which shall be
92 the amount due and payable to the United States, pursuant to section 4011(a)(2)(A) of the WIIN
93 Act; and for Water Delivered as M&I Water shall mean the amount due and payable to the
94 United States, pursuant to the section 4011(a)(3)(A) of the WIIN Act.

95 **2. Article 2 of the Existing Contract, entitled TERM OF CONTRACT, is**
96 **amended and replaced in its entirety with the following new Article 2:**

97 2. (a) This Contract shall be effective October 1, 2020 and shall continue
98 so long as the Contractor pays applicable Rates and Charges under this Contract, consistent with
99 Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable
100 law;

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

105 failure to pay, or to diligently commence and maintain full curative payments satisfactory to the
106 Contracting Officer within the sixty (60) calendar days' notice period;

107 (2) Provided further, That the Contracting Officer shall not
108 seek to suspend making water available or declaring Water Made Available pursuant to this
109 Contract for non-compliance by the Contractor with the terms of this Contract or Federal law,
110 unless the Contracting Officer has first provided at least thirty (30) calendar days written notice
111 to the Contractor and the Contractor has failed to cure such non-compliance, or to diligently
112 commence curative actions satisfactory to the Contracting Officer for a non-compliance that
113 cannot be fully cured within the thirty (30) calendar days' notice period. If the Contracting
114 Officer has suspended making water available pursuant to this paragraph, upon cure of such
115 noncompliance satisfactory to the Contracting Officer, the Contracting Officer shall resume
116 making water available and declaring Water Made Available pursuant to this Contract;

117 (3) Provided further, that this Contract may be terminated at
118 any time by mutual consent of the parties hereto.

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

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

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

129 3. Article 3, of the Existing Contract, entitled WATER TO BE MADE
130 AVAILABLE AND DELIVERED TO THE CONTRACTOR, is amended as follows:

131 a. Subdivision (h) of Article 3 of the Existing Contract is amended and
132 replaced in its entirety with the following new subdivision (h):

133 (h) The Contractor's right pursuant to Federal Reclamation law and
134 applicable State law to the reasonable and beneficial use of the Water Delivered pursuant to this
135 Contract shall not be disturbed, and this Contract shall continue so long as the Contractor pays
136 applicable Rates and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the
137 Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the
138 preceding sentence shall affect the Contracting Officer's ability to impose shortages under
139 Article 11 or subdivision (b) of Article 12 of this Contract.

140 **4. Article 7 of the Existing Contract, entitled RATES AND METHOD OF**
141 **PAYMENT FOR WATER, is amended as follows:**

142 **(a) The heading of the Existing Contract is amended and replaced in its**
143 **entirety with RATES, METHOD OF PAYMENT FOR WATER AND ACCELERATED**
144 **REPAYMENT OF FACILITIES.**

145 **(b) Subdivision (a) of Article 7 of the Existing Contract is amended and**
146 **replaced in its entirety with the following new subdivision (a):**

147 (a) Notwithstanding the Contractor's full prepayment of the
148 Repayment Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection (a)(3)A) of
149 the WIIN Act, as set forth in Exhibit D, and any payments required pursuant to section 4011,
150 subsection (b) of the WIIN Act, to reflect the adjustment for the final cost allocation as described
151 in this Article, subsection (b), the Contractor's Project construction and other cost obligations
152 shall be determined in accordance with: (i) the Secretary's ratesetting policy for Irrigation Water
153 adopted in 1988 and the Secretary's then-existing ratesetting policy for M&I Water, consistent
154 with the WIIN Act; and such ratesetting policies shall be amended, modified, or superseded only
155 through a public notice and comment procedure; (ii) applicable Federal Reclamation law and
156 associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract.
157 Payments shall be made by cash transaction, electronic funds transfers, or any other mechanism
158 as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates and

159 Charges applicable to the Contractor upon execution of this Contract are set forth in Exhibit "B,"
160 as may be revised annually.

161 (1) The Contractor shall pay the United States as provided for
162 in this Article of this Contract for all Delivered Water at Rates and Charges in accordance with
163 policies for Irrigation Water and M&I Water. The Contractor's Rates shall be established to
164 recover its estimated reimbursable costs included in the operation & maintenance component of
165 the Rate and amounts established to recover deficits and other charges, if any, including
166 construction costs as identified in the following subdivisions.

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

170 (A) The amount due and payable to the United States,
171 pursuant to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has
172 been computed by the Contracting Officer in a manner consistent with the WIIN Act and is set
173 forth as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual
174 installments (Irrigation Only) to be repaid no later than three (3) years after the effective date of
175 this Contract as set forth in Exhibit D. The Repayment Obligation is due in lump sum by
176 **November 30, 2020** as provided by the WIIN Act. The Contractor must provide appropriate
177 notice to the Contracting Officer in writing no later than thirty (30) days prior to **November 30,**
178 **2020** if electing to repay the amount due using the lump sum alternative. If such notice is not
179 provided by such date, the Contractor shall be deemed to have elected the installment payment
180 alternative, in which case, the first such payment shall be made no later than **November 30,**

181 **2020.** The second payment shall be made no later than the first anniversary of the first payment
182 date. The third payment shall be made no later than the second anniversary of the first payment
183 date. The final payment shall be made no later than **October 1, 2023.** If the installment
184 payment option is elected by the Contractor, the Contractor may pre-pay the remaining portion
185 of the Repayment Obligation by giving the Contracting Officer sixty (60) days written notice, in
186 which case, the Contracting Officer shall re-compute the remaining amount due to reflect the
187 pre-payment using the same methodology as was used to compute the initial annual installment
188 payment amount, which is illustrated in Exhibit D. Notwithstanding any Additional Capital
189 Obligation that may later be established, receipt of the Contractor's payment of the Repayment
190 Obligation to the United States shall fully and permanently satisfy the Existing Capital
191 Obligation.

192 (B) Additional Capital Obligations that are not reflected
193 in the schedules referenced in Exhibit D and properly assignable to the Contractor, shall be
194 repaid as prescribed by the WIIN Act without interest except as required by law. Consistent with
195 Federal Reclamation law, interest shall continue to accrue on the M&I portion of the Additional
196 Capital Obligation assigned to the Contractor until such costs are paid. Increases or decreases in
197 the Additional Capital Obligation assigned to the Contractor caused solely by annual adjustment
198 of the Additional Capital Obligation assigned to each Project contractor by the Secretary shall
199 not be considered in determining the amounts to be paid pursuant to this subdivision (a)(2)(B),
200 however, they will be considered under subdivision (b) of this Article. A separate agreement
201 shall be established by the Contractor and the Contracting Officer to accomplish repayment of

202 the Additional Capital Obligation assigned to the Contractor within the timeframe prescribed by
203 the WIIN Act, subject to the following:

204 (1) If the collective Additional Capital
205 Obligation properly assignable to the contractors exercising conversion under section 4011 of the
206 WIIN Act is less than five million dollars (\$5,000,000), then the portion of such costs properly
207 assignable to the Contractor shall be repaid not more than five (5) years after the Contracting
208 Officer notifies the Contractor of the Additional Capital Obligation; Provided, That the reference
209 to the amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

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

216 (c) **Article 7 of the Existing Contract is amended to add a new**
217 **subdivision (b); subdivisions (b) through (n) of Article 7 of the Existing Contract are**
218 **redesignated as subdivisions (c) through (o):**

219 (b) In the event that the final cost allocation referenced in Section
220 4011(b) of the WIIN Act determines that the costs properly assignable to the Contractor are
221 greater than what has been paid by the Contractor, the Contractor shall be obligated to pay the
222 remaining allocated costs. The term of such additional repayment contract shall be not less than
223 one (1) year and not more than ten (10) years, however, mutually agreeable provisions regarding

224 the rate of repayment of such amount may be developed by the Contractor and Contracting
225 Officer. In the event that the final cost allocation indicates that the costs properly assignable to
226 the Contractor are less than what the Contractor has paid, the Contracting Officer shall credit
227 such overpayment as an offset against any outstanding or future obligations of the Contractor,
228 with the exception of Restoration Fund charges pursuant to section 3407(d) of Public Law 102-
229 575.

230 **5. Article 12 of the Existing Contract, entitled CONSTRAINTS ON THE**
231 **AVAILABILITY OF WATER, is amended as follows:**

232 **Subdivisions (a) and (b) of Article 12 of the Existing Contract are amended and replaced in**
233 **their entirety with the following new subdivisions (a) and (b):**

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

239 (b) If there is a Condition of Shortage because of inaccurate runoff
240 forecasting or other similar operational errors affecting the Project; drought and other physical or
241 natural causes beyond the control of the Contracting Officer; or actions taken by the Contracting
242 Officer to meet current and future legal obligations, then, except as provided in subdivision (a) of
243 Article 18, no liability shall accrue against the United States or any of its officers, agents, or
244 employees for any damage, direct or indirect, arising therefrom.

245 **6. Article 18 of the Existing Contract, entitled OPINIONS AND**
246 **DETERMINATIONS, is amended to delete existing subdivision (b) and add the following**
247 **new subdivisions (b) and (c):**

248 (b) The parties agree that the delivery of Project Water or the use of Federal
249 facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and
250 supplemented, and the rules and regulations promulgated by the Secretary of the Interior under
251 Federal Reclamation law.

252 (c) The Contracting Officer shall have the right to make determinations
253 necessary to administer this Contract that are consistent with its expressed and implied

254 provisions, the laws of the United States and the State of California, and the rules and regulations
255 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation
256 with the Contractor.

257 7. **Article 15 of the Existing Contract, entitled WATER AND AIR**
258 **POLLUTION CONTROL and Article 16 of the Existing Contract, entitled QUALITY OF**
259 **WATER, are amended and replaced in their entirety with a new Article 15 as follows:**

260 PROTECTION OF WATER AND AIR QUALITY

261 15. (a) Omitted.

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

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

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

276 8. **The Article numbers for Articles 17 through 39 of the Existing Contract are**
277 **amended and redesignated as Articles 16 through 38.**

278 9. **Article 20, redesignated Article 19, of the Existing Contract, entitled**
279 **CHARGES FOR DELINQUENT PAYMENTS, is amended and replaced in its entirety**
280 **with the following new Article 19:**

281 19. (a) The Contractor shall be subject to interest, administrative, and
282 penalty charges on delinquent payments. If a payment is not received by the due date, the
283 Contractor shall pay an interest charge on the delinquent payment for each day the payment is
284 delinquent beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall

285 pay, in addition to the interest charge, an administrative charge to cover additional costs of
286 billing and processing the delinquent payment. If a payment is delinquent 90 days or more, the
287 Contractor shall pay, in addition to the interest and administrative charges, a penalty charge for
288 each day the payment is delinquent beyond the due date, based on the remaining balance of the
289 payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for
290 debt collection services associated with a delinquent payment.

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

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

298 **10. Article 21, redesignated Article 20, of the Existing Contract, entitled EQUAL**
299 **OPPORTUNITY, is amended and replaced in its entirety with the following new Article**
300 **20:**

301 **EQUAL EMPLOYMENT OPPORTUNITY**

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

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

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

317 (c) The contractor will not discharge or in any other manner
318 discriminate against any employee or applicant for employment because such employee or
319 applicant has inquired about, discussed, or disclosed the compensation of the employee or

320 applicant or another employee or applicant. This provision shall not apply to instances in which
321 an employee who has access to the compensation information of other employees or applicants
322 as part of such employee's essential job functions discloses the compensation of such other
323 employees or applicants to individuals who do not otherwise have access to such information,
324 unless such disclosure is in response to a formal complaint or charge, in furtherance of an
325 investigation, proceeding, hearing, or action, including an investigation conducted by the
326 employer, or is consistent with the contractor's legal duty to furnish information.

327 (d) The Contractor will send to each labor union or representative of
328 workers with which it has a collective bargaining agreement or other contract or understanding, a
329 notice, to be provided by the Contracting Officer, advising the labor union or workers'
330 representative of the Contractor's commitments under section 202 of Executive Order 11246 of
331 September 24, 1965, and shall post copies of the notice in conspicuous places available to
332 employees and applicants for employment.

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

336 (f) The Contractor will furnish all information and reports required by
337 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of
338 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
339 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
340 ascertain compliance with such rules, regulations, and orders.

341 (g) In the event of the Contractor's noncompliance with the
342 nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this
343 Contract may be canceled, terminated or suspended in whole or in part and the Contractor may
344 be declared ineligible for further Government contracts in accordance with procedures
345 authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be
346 imposed and remedies invoked as provided in Executive Order No. 11246 of September 24,
347 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

348 (h) The Contractor will include the provisions of paragraphs (a)
349 through (h) in every subcontract or purchase order unless exempted by the rules, regulations, or
350 orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of
351 September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.
352 The Contractor will take such action with respect to any subcontract or purchase order as may be
353 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
354 for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or
355 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
356 Contractor may request the United States to enter into such litigation to protect the interests of
357 the United States.

358 **11. Article 22, redesignated Article 21, of the Existing Contract, entitled**
359 **GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT, is amended**
360 **as follows:**

361 **(a) Subdivisions (a) and (b) of Article 21 of the Existing Contract are**
362 **amended and replaced in their entirety with the following new subdivisions (a) and (b):**

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

367 (b) The payment of charges becoming due pursuant to this Contract is
368 a condition precedent to receiving benefits under this Contract. The United States shall not make
369 water available to the Contractor through Project facilities during any period in which the
370 Contractor is in arrears in the advance payment of water rates due the United States. The
371 Contractor shall not deliver water under the terms and conditions of this Contract for lands or
372 parties that are in arrears in the advance payment of water rates as levied or established by the
373 Contractor.

374 **12. Article 23, redesignated Article 22, of the Existing Contract, entitled**
375 **COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS, is amended and**
376 **replaced in its entirety with the following new Article 22:**

377 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act
378 of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112,
379 Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-
380 135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990
381 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and
382 with the applicable implementing regulations and any guidelines imposed by the U.S.
383 Department of the Interior and/or Bureau of Reclamation.
384

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

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

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

402 **13. Article 24 of the Existing Contract, entitled PRIVACY ACT**

403 **COMPLIANCE, is redesignated Article 23 and is amended and replaced in its entirety with**
 404 **the following new Article 23:**

405 23. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy
 406 Act) (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy
 407 Act (43 C.F.R. § 2.45, et seq.) in maintaining landholder certification and reporting records
 408 required to be submitted to the Contractor for compliance with sections 206, 224(c), and 228 of
 409 the Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to
 410 43 C.F.R. § 426.18.

411 (b) With respect to the application and administration of the criminal
 412 penalty provisions of the Privacy Act (5 U.S.C. § 552a(i)), the Contractor and the Contractor's
 413 employees who are responsible for maintaining the certification and reporting records referenced
 414 in paragraph (a) above are considered to be employees of the Department of the Interior. See
 415 5 U.S.C. § 552a(m).

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

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

425 (e) The Contractor shall forward promptly to the System Manager
 426 each proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of
 427 records filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral; and

428 provide the System Manager with information and records necessary to prepare an appropriate
429 response to the requester. These requirements do not apply to individuals seeking access to their
430 own certification and reporting forms filed with the Contractor pursuant to 43 C.F.R. § 426.18
431 unless the requester elects to cite the Privacy Act as authority for the request.

432 (f) Upon complete payment of the Repayment Obligation by the
433 Contractor, this Article 23 will no longer be applicable.

434 **14. Article 26, of the Existing Contract, entitled WATER CONSERVATION,**
435 **is redesignated Article 25 and is amended as follows:**

436 (a) **The first sentence of subdivision (a) of redesignated Article 25 of the**
437 **Existing Contract is amended and replaced with the following:**

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

442 Additionally, an effective water conservation and efficiency program shall be based on the
443 Contractor's water conservation plan that has been determined by the Contracting Officer to meet
444 the conservation and efficiency criteria for evaluating water conservation plans established under
445 Federal law.

446 (b) **Subdivision (b) of redesignated Article 25 of the Existing Contract is**
447 **amended to strike California Urban Water Conservation Council and insert Mid-Pacific**
448 **Region's then-existing conservation and efficiency criteria:**

449 (b) Should the amount of M&I Water delivered pursuant to
450 subdivision (a) of Article 3 of this Contract equal or exceed two thousand (2,000) acre-feet per
451 Year, the Contractor shall implement the Best Management Practices identified by the time
452 frames issued by the Mid-Pacific Region's then-existing conservation and efficiency criteria for

453 such M&I Water unless any such practice is determined by the Contracting Officer to be
454 inappropriate for the Contractor.

455 (c) Subdivision (d) of redesignated Article 25 of the Existing Contract is
456 amended to strike then-current and insert then-existing:

457 (d) At five (5)-year intervals, the Contractor shall revise its water
458 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
459 water conservation plans established under Federal law and submit such revised water
460 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
461 will then determine if the water conservation plan meets Reclamation's then-existing
462 conservation and efficiency criteria for evaluating water conservation plans established under
463 Federal law.

464 15. Omitted.

465 16. Article 30, of the Existing Contract, entitled BOOKS, RECORDS, AND
466 REPORTS, is redesignated Article 29, and is amended as follows:

467 (a) Subdivision (a) of Article 29 of the Existing Contract is amended and
468 replaced in its entirety with the following new subdivision (a):

469 (a) The Contractor shall establish and maintain accounts and other
470 books and records pertaining to administration of the terms and conditions of this Contract,
471 including the Contractor's financial transactions; water supply data; project operation,
472 maintenance, and replacement logs; project land and rights-of-way use agreements; the water
473 users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other
474 matters that the Contracting Officer may require. Reports shall be furnished to the Contracting
475 Officer in such form and on such date or dates as the Contracting Officer may require. Subject
476 to applicable Federal laws and regulations, each party to this Contract shall have the right during
477 office hours to examine and make copies of the other party's books and records relating to
478 matters covered by this Contract.

508 Water District, 11368 East Stillwater Way, Redding, California 96003. The designation of the
509 addressee or the address may be changed by notice given in the same manner as provided in this
510 article for other notices.

511 **21. Omitted.**

512 **22. Omitted.**

513 **23. Omitted.**

514 **24. Omitted.**

515 **25. The Existing Contract is amended to add Article 39, entitled**

516 **RECLAMATION REFORM ACT OF 1982, to be consistent with the WIIN Act, as follows:**

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

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

524 **26. Omitted.**

525 **27. Omitted.**

526 **28. The Existing Contract is amended to add Article 40, entitled MEDIUM FOR**

527 **TRANSMITTING PAYMENTS, as follows:**

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

532 (b) Upon execution of the contract, the Contractor shall furnish the
533 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
534 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
535 out of the Contractor's relationship with the United States.

536 CONFIRMATION OF AMENDMENT

537 **29.** Promptly after the execution of this Amendment, the Contractor will provide to
538 the Contracting Officer a certified copy of a final decree of a court of competent jurisdiction in
539 the State of California, confirming the proceedings on the part of the Contractor for the
540 authorization of the execution of this Amendment. This Amendment shall not be binding on the
541 United States until the Contractor secures a final decree.


542 AMENDMENT DRAFTING CONSIDERATIONS

543 **30.** This Amendment has been negotiated and reviewed by the parties hereto, each of
544 whom is sophisticated in the matters to which this Amendment pertains. The double-spaced
545 Articles of this Amendment have been drafted, negotiated, and reviewed by the parties, and no
546 one party shall be considered to have drafted the stated articles. Single-spaced articles are
547 standard articles pursuant to Reclamation policy.


548 **31.** Except as specifically provided for in this Amendment, the provisions of the
549 Existing Contract shall continue in full force and effect as originally written and executed.

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


552 UNITED STATES OF AMERICA

553 By: 
554 Regional Director
555 Interior Region 10: California-Great Basin
556 Bureau of Reclamation

557 BELLA VISTA WATER DISTRICT
558 (SEAL)

559 By: 
560 President of the Board of Directors


561 Attest:

562 By: 
563 Secretary of the Board of Directors
564

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

552 UNITED STATES OF AMERICA

**APPROVED AS TO LEGAL FORM AND
SUFFICIENCY - REVIEWED BY:**



Digitally signed by
BRIAN HUGHES
Date: 2020.09.08
12:51:28 -07'00'

553 **OFFICE OF THE REGIONAL SOLICITOR**
554 **DEPARTMENT OF THE INTERIOR**


555 **TIME STAMP:** 1:37 pm, May 11 2020
556

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


557
558 (SEAL)

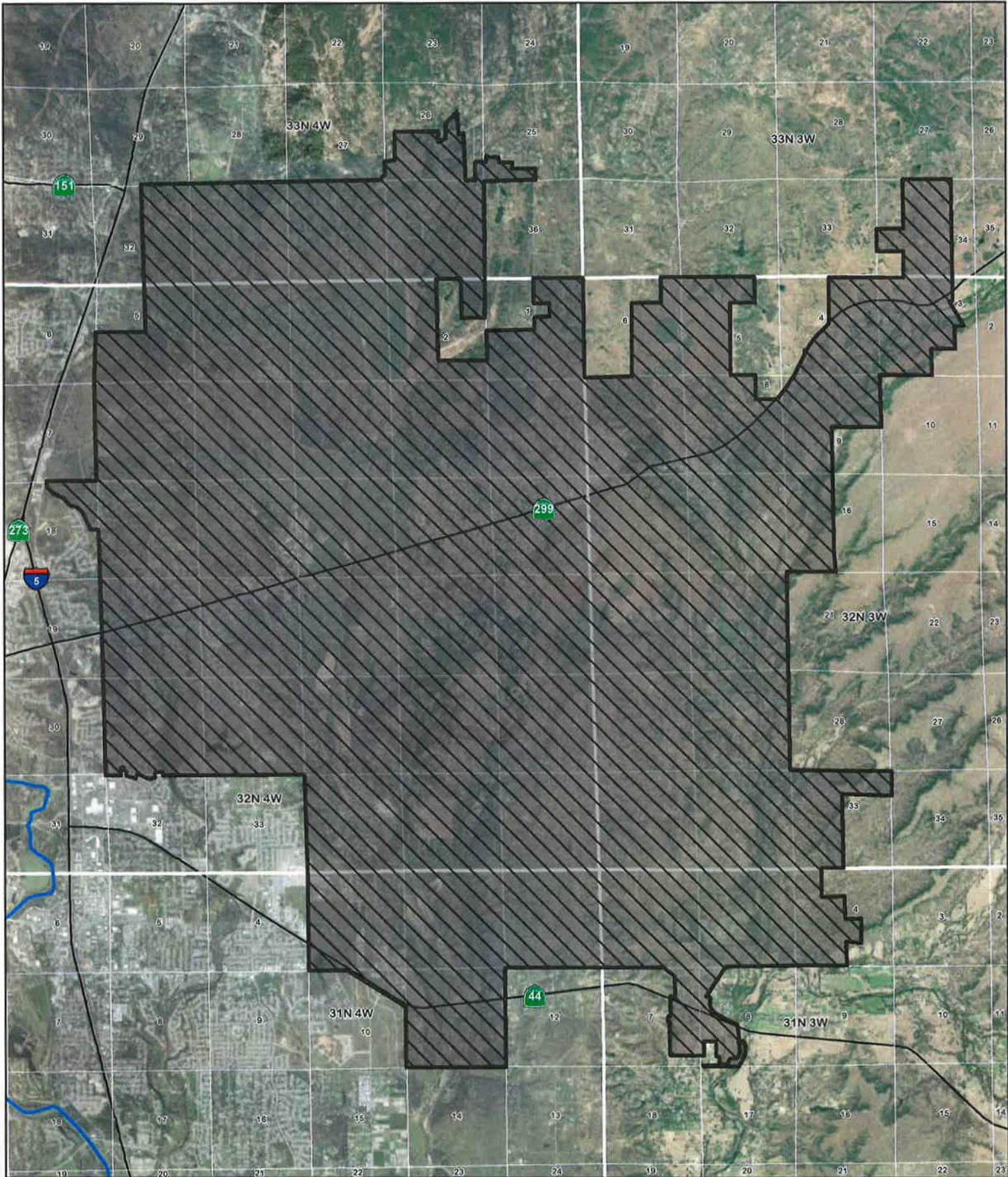
BELLA VISTA WATER DISTRICT



559
560

By:  _____
President of the Board of Directors

561 Attest:

562 By:  _____
563 Secretary of the Board of Directors
564



-  District Boundary
-  Contractor's Service Area

Bella Vista Water District

Contract No. 14-06-200-851A-P
Exhibit A



BUREAU OF
RECLAMATION

Date: 2/28/2020
File Name: N:\Districts\Contract\bella_vista\bella_vista_20200228.mxd



602-202-110

Exhibit B
BELLA VISTA WATER DISTRICT
2020 Rates and Charges
(Per Acre-Foot)

District Form - Irrigation/M&I
Contract No. 14-06-200-851A-P

	Irrigation Water	M&I Water
COST-OF-SERVICE (COS) RATES		
Capital Component	\$0.00	\$0.00
O&M Component		
Water Marketing	\$8.97	\$6.12
Storage	\$18.01	\$14.99
Conveyance	\$0.00	\$0.00
Direct Pumping	\$14.32	\$14.32
Interest Bearing O&M Deficit Component	\$1.15	\$0.00
ARRA Component	\$0.00	\$0.00
TOTAL COS RATE (Tier 1 Rate)	\$42.45	\$35.43
IRRIGATION FULL COST RATE (RRA)		
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	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	
M&I FULL COST RATE		TBD
TIERED PRICING COMPONENTS <i>(In Addition to Total COS Rate Above)</i>		
Irrigation		
Tier 2 Rate: >80% <=90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate]/2 <i>(Amount to be added to Tier 1 Rate)</i>	TBD	
Tier 3 Rate: >90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate] <i>(Amount to be added to Tier 1 Rate)</i>	TBD	
M&I		
Tier 2 Rate: >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 <i>(Amount to be Added to Tier 1 Rate)</i>		TBD
Tier 3 Rate: >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] <i>(Amount to be Added to Tier 1 Rate)</i>		TBD
CHARGES AND ASSESSMENTS <i>(Payments in Addition to Rates)</i>		
P.L. 102-575 Surcharges (Restoration Fund Payments) ¹ [Section 3407(d)(2)(A)]	\$10.91	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) ² [Appendix B, Section 203]	\$0.12	\$0.12

- The surcharges were determined pursuant to Title XXXIV of P.L. 102-575.
- 1 Restoration Fund surcharges under P.L. 102-575 are determined on a fiscal year basis (10/1-9/30).
 - 2 The Trinity Public Utilities District Assessment is applicable to each acre-foot of water delivered from 3/1 - 2/28 and is adjusted annually.

Recent Historic Use, as defined in the CVP M&I Water Shortage Policy, is 7,313 acre-feet.

Additional details of the rate components are available on the Internet at
www.usbr.gov/mp/cvpwaterrates/ratebooks.

EXHIBIT C

GUIDELINES FOR DETERMINING IF PROJECT WATER
IS PUT TO USE AS IRRIGATION WATER

A. Objective:

1. Achieve the proper use of Project Water irrespective of landholding size.
2. Obtain reimbursement to the Reclamation Fund for Project Water at the appropriate Rates.

B. Focus:

1. Usually, the Rates for Irrigation Water are significantly less than the Rates for M&I Water. Contractors that have both irrigation and M&I as purposes of use in their contracts have to determine the appropriate Rates to charge their customers for Project Water. That determination becomes more difficult for smaller landholdings because activities on a rural residence may appear to be like activities on a farm or ranch.
2. To qualify as Irrigation Water, Project Water must be used to irrigate land primarily for the production of commercial agricultural crops or livestock, and domestic and other uses that are incidental thereto.

C. Criteria to consider:

1. Existence of a business or development plan; and
2. Commercial crop or livestock sales or barter; and/or
3. Commercial improvements to land, including but not limited to buildings (barns, storage facilities, workshop, livestock shed), irrigation system, leveling, corrals, fencing, fruit or nut trees, vines, etc.); and
4. Related enterprises involving the landholder. For example, Project Water diverted to irrigate pasture for horses used in a commercial cattle operation would be at the Rates for Irrigation Water in contrast to Project Water diverted to irrigate pasture for horses used only for personal enjoyment which would be at the Rates for M&I Water.

D. Decision:

1. The Contractor shall be responsible for ascertaining whether Project Water delivered is put to use as Irrigation Water or M&I Water. In the past, Reclamation's focus has been on landholdings operated in units of less than two acres. More recently, that focus has been on landholdings operated in units of less than five acres.
2. The guidelines recognize that the Contractor continues to survey all landholdings during the term of its contract to determine if landholders are paying the appropriate Rates for Project Water. The Contractor will require a new application requesting Project Water at the Rates for Irrigation Water when there is a change in the purpose of use or ownership of any

landholdings after the date of execution of this Contract.

E. Review:

A decision made by the Contractor may be reviewed by Reclamation. If Reclamation does not agree with the Contractor's decision, Reclamation shall provide notification, in writing, to the Contractor explaining specifically why Reclamation believes the decision made by the Contractor to deliver Irrigation Water to the landholding was not done so in accordance with these guidelines. Within 30 days of receipt of such notification, Reclamation and the Contractor shall meet and confer to determine what corrective actions should be taken to resolve the disagreement in accordance with these guidelines. If Reclamation and the Contractor cannot resolve the disagreement within 90 days of that notification, Reclamation shall, thereafter, provide its final determination, in writing to the Contractor. The Contractor retains the right to appeal up to and including the Commissioner of Reclamation any final decision they are in disagreement with.

F. Documentation:

These guidelines presume a landholding is only eligible to receive Project Water at the Rates for M&I Water unless documentation is provided to the Contractor to show it qualifies for Irrigation Water or an application by a landholder requesting new service for Irrigation Water is approved by the Contractor. The Contractor shall retain such documentation for a period of six years after the initial determination is made that Project Water is being used for irrigation purposes or after a landholder no longer is using Project Water for irrigation purposes, whichever is longer.

Exhibit D[®]

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

Unpaid Construction Cost from the 2020 Water Rate Books*

Contractor: Bella Vista Water District
Facility: Cow Creek Unit
Contract: 14-06-200-851A-P

Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba)			
	Unpaid Cost	Discount	
Construction Cost	~ \$ 2,007,417		
2019 Repayment (Estimate) **	\$ 98,142		
Adjusted Construction Cost	\$ 1,909,275	\$	1,851,220
Intertie Construction Cost (N/A):		\$	-
Total	\$ 1,909,275	\$	1,851,220
If Paid in Installments (Used 20 yr CMT)			
	Due****		
Payment 1	10/1/2020	\$	469,244
Payment 2	10/1/2021	\$	469,244
Payment 3	10/1/2022	\$	469,244
Payment 4	10/1/2023	\$	469,244
Total Installment Payments		\$	1,876,976
20 yr CMT Rates - 07/13/2020 (to be adjusted to effective date of contract) [®]			1.110%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))			0.555%

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

Calculation Support: Irrigation Lump Sum or First Payment**** 10/1/2020
 Days Until the End of the Fiscal Year 364

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	\$ 1,909,275	\$ 190,927	\$ 188,829	\$ -	\$ -	\$ -	\$ 188,829
2022	\$ 1,718,347	\$ 190,927	\$ 188,826	\$ -	\$ -	\$ -	\$ 188,826
2023	\$ 1,527,420	\$ 190,927	\$ 187,783	\$ -	\$ -	\$ -	\$ 187,783
2024	\$ 1,336,492	\$ 190,927	\$ 186,747	\$ -	\$ -	\$ -	\$ 186,747
2025	\$ 1,145,565	\$ 190,927	\$ 185,716	\$ -	\$ -	\$ -	\$ 185,716
2026	\$ 954,637	\$ 190,927	\$ 184,691	\$ -	\$ -	\$ -	\$ 184,691
2027	\$ 763,710	\$ 190,927	\$ 183,672	\$ -	\$ -	\$ -	\$ 183,672
2028	\$ 572,782	\$ 190,927	\$ 182,658	\$ -	\$ -	\$ -	\$ 182,658
2029	\$ 381,855	\$ 190,927	\$ 181,650	\$ -	\$ -	\$ -	\$ 181,650
2030	\$ 190,927	\$ 190,927	\$ 180,647	\$ -	\$ -	\$ -	\$ 180,647
2031-63				\$ -	\$ -	\$ -	\$ -
Total, Lump Sum Payment		\$ 1,851,220				\$ -	\$ 1,851,220

Amount of Reduction, Lump Sum \$ 58,055 \$ - \$ 58,055

* 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 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.

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

CONTRACT BETWEEN THE UNITED STATES AND
ANDERSON-COTTONWOOD IRRIGATION DISTRICT,
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
SETTLING WATER RIGHTS DISPUTES AND
PROVIDING FOR PROJECT WATER

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3 UNITED STATES
4 DEPARTMENT OF THE INTERIOR
5 BUREAU OF RECLAMATION
6 Central Valley Project, California

7 CONTRACT BETWEEN THE UNITED STATES AND
8 ANDERSON-COTTONWOOD IRRIGATION DISTRICT,
9 DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
10 SETTLING WATER RIGHTS DISPUTES AND
11 PROVIDING FOR PROJECT WATER

12 THIS CONTRACT, hereinafter referred to as "Settlement Contract," is entered into
13 by THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, made
14 this 1st day of July, 2005, pursuant to the applicable authority granted
15 to it generally in the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary
16 thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and
17 supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, including, but not
18 limited to, Sections 9 and 14 thereto, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68),
19 October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, and Title
20 XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to
21 as Federal Reclamation law, and ANDERSON-COTTONWOOD IRRIGATION DISTRICT,
22 hereinafter referred to as the Contractor, a public agency of the State of California, duly
23 organized, existing, and acting pursuant to the laws thereof, with its principal place of business in
24 California;

25 WITNESSETH, that:

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EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project, California, for multiple purposes pursuant to its statutory authority; and

[2nd] WHEREAS, the Contractor has rights to divert, is diverting, and will continue to divert for reasonable beneficial use, water from the natural flow of the Sacramento River and tributaries thereto, that would have been flowing therein if the Central Valley Project were not in existence;

[3rd] WHEREAS, the construction and operation of the integrated and coordinated Central Valley Project has changed and will further change the regimen of the Sacramento, American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin Delta from unregulated flow to regulated flow; and

[4th] WHEREAS, the United States has rights to divert, is diverting, and will continue to divert waters from said Rivers and said Delta in connection with the operation of said Central Valley Project; and

[5th] WHEREAS, the Contractor and the United States had a dispute over the respective rights of the parties to divert and use water from the regulated flow of the Sacramento River which threatened to result in litigation, and as a means to settle that dispute entered into Contract No. 14-06-200-3346A, hereinafter referred to as the Existing Contract, which established terms for the delivery to the Contractor of Central Valley Project Water, and the quantities of Base Supply the United States and the Contractor agreed may be diverted by the Contractor from the Sacramento River pursuant to such contract; and

[6th] WHEREAS, the United States and the Contractor disagree with respect to the authority of the United States to change the quantities of Base Supply and/or Project Water

49 specified as available for diversion in this Settlement Contract from the quantities specified in
50 the Existing Contract, and other issues related thereto. That dispute was the subject of litigation
51 in a lawsuit entitled *Glenn-Colusa Irrigation District, et al. v. United States, et al.* [Civ. No. S-
52 01-1816 GEB/JFM (E.D. Cal.)], but that litigation was dismissed, without prejudice, pursuant to
53 a stipulation of dismissal filed by the parties thereto on August 29, 2002. Notwithstanding that
54 dismissal, the Contractor and the United States enter into this Settlement Contract to renew the
55 Existing Contract, pursuant to the terms of the Existing Contract, Federal Reclamation law, and
56 the laws of the State of California; and

57 [7th] WHEREAS, to assure the Contractor of the enjoyment and use of the regulated
58 flow of the said Rivers and the Delta, and to provide for the economical operation of the Central
59 Valley Project by, and the reimbursement to, the United States for expenditures made for said
60 Project.

61 NOW, THEREFORE, in consideration of the performance of the herein contained
62 provisions, conditions, and covenants, it is agreed as follows:

63 DEFINITIONS

64 1. When used herein, unless otherwise expressed or incompatible with the intent
65 hereof, the term:

66 (a) "Base Supply" shall mean the quantity of Surface Water established in
67 Articles 3 and 5 which may be diverted by the Contractor from the Sacramento River each month
68 during the period April through October of each Year without payment to the United States for
69 such quantities diverted;

70 (b) "Basin-Wide Water Management Plan" shall mean the mutually agreeable
71 Sacramento River Basinwide Water Management Plan, dated October 11, 2004, developed by

72 Glenn-Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual Water
73 Company, Pelger Mutual Water Company, Princeton-Codora-Glenn Irrigation District, Provident
74 Irrigation District, Reclamation District 108, Sutter Mutual Water Company, Anderson-
75 Cottonwood Irrigation District, Meridian Farms Water Company, Reclamation District 1004, and
76 the U.S. Bureau of Reclamation;

77 (c) "Charges" shall mean the payments for Project Water that the Contractor
78 is required to pay to the United States in addition to the "Rates" specified in this Settlement
79 Contract. The Contracting Officer will, on an annual basis, determine the extent of these
80 Charges. The type and amount of each Charge shall be specified in Exhibit D;

81 (d) "Contract Total" shall mean the sum of the Base Supply and Project Water
82 available for diversion by the Contractor for the period April 1 through October 31;

83 (e) "Critical Year" shall mean any Year in which either of the following
84 eventualities exists:

85 (1) The forecasted full natural inflow to Shasta Lake for the current
86 Water Year, as such forecast is made by the United States on or before February 15 and reviewed
87 as frequently thereafter as conditions and information warrant, is equal to or less than 3.2 million
88 acre-feet; or

89 (2) The total accumulated actual deficiencies below 4 million acre-feet
90 in the immediately prior Water Year or series of successive prior Water Years each of which had
91 inflows of less than 4 million acre-feet, together with the forecasted deficiency for the current
92 Water Year, exceed 800,000 acre-feet.

93 For the purpose of determining a Critical Year, the computation of inflow to
94 Shasta Lake shall be performed in a manner that considers the extent of upstream development

95 above Shasta Lake during the year in question, and shall be used as the full natural flow to
96 Shasta Lake. In the event that major construction has occurred or occurs above Shasta Lake after
97 September 1, 1963, and which has materially altered or alters the regimen of the stream systems
98 contributing to Shasta Lake, the computed inflow to Shasta Lake used to define a Critical Year
99 will be adjusted to eliminate the effect of such material alterations. After consultation with the
100 State of California, the National Weather Service, and other recognized forecasting agencies, the
101 Contracting Officer will select the forecast to be used and will make the details of it available to
102 the Contractor. The same forecasts used by the United States for the operation of the Project
103 shall be used to make the forecasts hereunder;

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

106 (g) "Eligible Lands" shall mean all lands to which Project Water may be
107 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982
108 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

109 (h) "Excess Lands" shall mean all lands in excess of the limitations contained
110 in Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal
111 Reclamation law;

112 (i) "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)
113 or 202(3) of the RRA, whichever is applicable;

114 (j) "Ineligible Lands" shall mean all lands to which Project Water may not be
115 delivered in accordance with Section 204 of the RRA;

116 (k) "Landholder" shall mean a party that directly or indirectly owns or leases
117 nonexempt land, as provided in 43 CFR 426.2;

118 (l) "Project" shall mean the Central Valley Project owned by the United
119 States and managed by the Department of the Interior, Bureau of Reclamation;

120 (m) "Project Water" shall mean all Surface Water diverted or scheduled to be
121 diverted each month during the period April through October of each Year by the Contractor
122 from the Sacramento River which is in excess of the Base Supply. The United States recognizes
123 the right of the Contractor to make arrangements for acquisition of water from projects of others
124 than the United States for delivery through the Sacramento River and tributaries subject to
125 written agreement between Contractor and the United States as to identification of such water
126 which water when so identified shall not be deemed Project Water under this Settlement
127 Contract;

128 (n) "Rates" shall mean the payments for Project Water determined annually
129 by the Contracting Officer in accordance with the then current applicable water ratesetting
130 policies for the Project, as described in subdivision (a) of Article 8 of this Settlement Contract;

131 (o) "Secretary" or "Contracting Officer" shall mean the Secretary of the
132 Interior, a duly appointed successor, or an authorized representative acting pursuant to any
133 authority of the Secretary and through any agency of the Department of the Interior;

134 (p) "Surface Water" shall mean only those waters that are considered as
135 surface water under California law;

136 (q) "Water Year" shall mean the period commencing with October 1 of one
137 year and extending through September 30 of the next; and

138 (r) "Year" shall mean a calendar year.

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TERM OF SETTLEMENT CONTRACT

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2. (a) This Settlement Contract shall become effective April 1, 2005, and shall

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remain in effect until and including March 31, 2045; Provided, that under terms and conditions

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mutually agreeable to the parties hereto, renewals may be made for successive periods not to

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exceed 40 years each. The terms and conditions of each renewal shall be agreed upon not later

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than one year prior to the expiration of the then existing Settlement Contract.

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(b) With respect to Project Water and the portions of this Settlement Contract

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pertaining thereto, upon written request by the Contractor of the Secretary made not later than

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one year prior to the expiration of this Settlement Contract, whenever, account being taken of the

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amount then credited to the costs of construction of water supply works, the remaining amount of

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construction costs of water supply work which is properly assignable for ultimate return by the

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Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public

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Law 643 (70 Stat. 483), probably can be repaid to the United States within the term of a contract

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under subsection 9(d) of the 1939 Reclamation Project Act (53 Stat. 1187), the relevant portions

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of this Settlement Contract may be converted to a contract under said subsection 9(d) upon terms

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and conditions mutually agreeable to the United States and the Contractor. The Secretary shall

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make a determination ten years after the date of execution of this Settlement Contract, and every

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five years thereafter, of whether a conversion to a contract under said subsection 9(d) can be

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accomplished pursuant to Public Law 643. Notwithstanding any provision of this Settlement

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Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.

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WATER TO BE FURNISHED TO CONTRACTOR

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3. (a) Subject to the conditions, limitations, and provisions

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hereinafter expressed, the Contractor is hereby entitled and authorized to divert from the

162 Sacramento River at the locations shown in Exhibit A, for beneficial use within the area
163 delineated on Exhibit B, (both Exhibits are attached hereto and made a part hereof), the Contract
164 Total designated in Exhibit A, or any revision thereof, in accordance with the monthly operating
165 schedule required by Article 3(c) of this Settlement Contract. The quantity of any water diverted
166 under this Settlement Contract from the Sacramento River, during the period April through
167 October, for use on any lands delineated on Exhibit B, by the owner of such lands or otherwise
168 shall constitute a part of the Contract Total as shown on Exhibit A and shall be subject to all the
169 provisions of this Settlement Contract relating to such Contract Total as if such diversion were
170 made by the Contractor.

171 (b) The Contractor may have acquired rights to divert water from the
172 Sacramento River during the period April through October, that were obtained after the date of
173 execution of the Existing Contract, or the Contractor may acquire such rights in the future. All
174 diversions made from the Sacramento River, pursuant to such rights, during the period April
175 through October, shall not be considered a part of the quantity of Base Supply and Project Water
176 specified in Exhibit A; Provided, that the quantities diverted pursuant to the above rights shall be
177 identified on the schedule submitted pursuant to Article 3(c) below, and shall not be substituted
178 for any Base Supply or Project Water; Provided, further, that any such identified quantities of
179 other acquired rights may be diverted by the Contractor before incurring any fee pursuant to
180 Article 3(c)(1), below.

181 (c) Before April 1 and before the first day of each month thereafter when a
182 revision is needed, the Contractor shall submit a written schedule to the Contracting Officer
183 indicating the Contract Total to be diverted by the Contractor during each month under this
184 Settlement Contract. The United States shall furnish water to the Contractor in accordance with

185 the monthly operating schedule or any revisions thereof. However, the United States recognizes
186 the need of the Contractor to change from time to time its monthly diversions of water from the
187 quantities shown in Exhibit A; the Contractor may make such changes, provided:

188 (1) that for the quantity of Base Supply diverted in excess of the
189 monthly quantity shown in Exhibit A, and as may be reduced in accordance with Article 5(a),
190 during June, July, August, September, or October of any Water Year, the Contractor shall be
191 charged a rescheduling fee equal to 50 percent of the sum of the storage operations and
192 maintenance rate and the storage capital rate components of the Project ratesetting policy.

193 (2) that in no event shall the total quantity scheduled for diversion by
194 the Contractor from the Sacramento River:

195 (i) During the period April through October exceed the
196 aggregate of the Contract Total for that period shown in Exhibit A or any revision
197 thereof;

198 (ii) During the period July through August exceed the
199 aggregate of the Contract Total for that period shown in Exhibit A or any revision
200 thereof.

201 (d) In the event conditions warrant, the Contracting Officer reserves the right
202 to require the Contractor to submit, at least 72 hours prior to the beginning of each weekly
203 period, its estimate of daily diversion requirements for each such period from the Sacramento
204 River; Provided, however, that changes during any such period may be made upon the giving of
205 72 hours' notice thereof to the Contracting Officer; Provided, further, that the Contractor shall
206 notify the United States as far in advance as is reasonably possible each time it intends to install
207 or remove boards from its diversion dam. The United States shall notify the Contractor as far in

208 advance as is reasonably possible each time it intends to change the release of water from
209 Keswick Reservoir into the Sacramento River. In addition, during the irrigation season, the
210 Contractor may from time to time notify the United States of the maximum flow the Contractor
211 believes its diversion dam with the then setting of boards can safely accommodate without
212 damage thereto or to the walkway, and the Contracting Officer shall notify the Contractor as far
213 in advance as possible but not less than 24 hours of any change in releases to be made at
214 Keswick Reservoir that would exceed such maximum flow designated by the Contractor. The
215 United States shall assist the Contractor in connection with the installation or removal of boards
216 from the diversion dam by the Contractor as follows:

217 (1) Adjust Keswick releases to the extent reasonably needed to
218 facilitate installation or removal of boards, the adjustments to be made at times that will
219 accomplish that purpose but not unduly interfere with other obligations of the United States; and

220 (2) Furnish manpower to assist the Contractor in placing or removing
221 boards when an emergency condition exists as a result of the operations of the United States.

222 (e) No sale, transfer, exchange, or other disposal of any of the Contract Total
223 designated in Exhibit A or the right to the use thereof for use on land other than that shown on
224 Exhibit B shall be made by the Contractor without first obtaining the written consent of the
225 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be
226 rendered in a timely manner. For short-term actions that will occur within one year or less, the
227 decision will be rendered within 30 days after receipt of a complete written proposal. For long-
228 term actions that will occur in a period longer than one year, the decision will be rendered within
229 90 days after receipt of a complete written proposal. For a proposal to be deemed complete by
230 the Contracting Officer, it must comply with all provisions required by State and Federal law,

231 including information sufficient to enable the Contracting Officer to comply with the National
232 Environmental Policy Act, the Endangered Species Act, and applicable rules or regulations then
233 in effect; Provided, that such consent does not authorize the use of Federal facilities to facilitate
234 or effectuate the sale, transfer, exchange, or other disposal of Base Supply. Such use of Federal
235 facilities will be the subject of a separate agreement to be entered into between the Contractor
236 and Reclamation.

237 (f) For the purpose of determining whether Section 3405(a)(1)(M) of the
238 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting
239 Officer acknowledges that the Contractor is within a county, watershed, or other area of origin,
240 as those terms are utilized under California law.

241 (g) Nothing herein contained shall prevent the Contractor from diverting
242 water during the months of November through March for beneficial use on the land shown on
243 Exhibit B or elsewhere to the extent authorized under the laws of the State of California.

244 (h) The United States assumes no responsibility for and neither it nor its
245 officers, agents, or employees shall have any liability for or on account of:

246 (1) The quality of water to be diverted by the Contractor;

247 (2) The control, carriage, handling, use, disposal, or distribution of
248 water diverted by the Contractor outside the facilities constructed and then being operated and
249 maintained by or on behalf of the United States;

250 (3) Claims of damage of any nature whatsoever, including but not
251 limited to, property loss or damage, personal injury, or death arising out of or connected with the
252 control, carriage, handling, use, disposal, or distribution of said water outside of the hereinabove
253 referred to facilities; and

254 (4) Any damage whether direct or indirect arising out of or in any
255 manner caused by a shortage of water whether such shortage be on account of errors in
256 operation, drought, or unavoidable causes.

257 (i) In addition to the provisions of subdivision (h) of Article 3 of this
258 Contract, if there is a shortage of Project Water because of actions taken by the Contracting
259 Officer to meet legal obligations then, except as provided in subdivision (a) of Article 30 of this
260 Contract, no liability shall accrue against the United States or any of its officers, agents, or
261 employees for any damage, direct or indirect, arising therefrom.

262 RETURN FLOW

263 4. Nothing herein shall be construed as an abandonment or a relinquishment by the
264 United States of any right it may have to the use of waste, seepage, and return flow water derived
265 from water diverted by the Contractor hereunder and which escapes or is discharged beyond the
266 boundaries of the lands shown on Exhibit B; Provided, that this shall not be construed as
267 claiming for the United States any right to such water which is recovered by the Contractor
268 pursuant to California law from within the boundaries of the lands shown on Exhibit B, and
269 which is being used pursuant to this Settlement Contract for surface irrigation or underground
270 storage for the benefit of the lands shown on Exhibit B by the Contractor.

271 CONSTRAINTS ON THE AVAILABILITY OF WATER

272 5. (a) In a Critical Year, the Contractor's Base Supply and Project Water agreed
273 to be diverted during the period April through October of the Year in which the principal portion
274 of the Critical Year occurs and, each monthly quantity of said period shall be reduced by
275 25 percent; Provided, that, if a Critical Year occurs at any time during the first four Years of this
276 Settlement Contract, the reduction in each monthly quantity shall be as follows:

277 Year One = 5 percent;
278 Year Two = 10 percent;
279 Year Three = 15 percent;
280 Year Four = 20 percent.

281 (b) The amount of any overpayment by the Contractor shall, at its option, be
282 refunded or credited upon amounts to become due to the United States from the Contractor under
283 the provisions hereof in the ensuing Year. To the extent of such deficiency such adjustment of
284 overpayment shall constitute the sole remedy of the Contractor.

285 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

286 6. The Contractor and United States desire to work together to maximize the
287 reasonable beneficial use of water for their mutual benefit. As a consequence, the United States
288 and the Contractor will work in partnership and with others within the Sacramento Valley,
289 including other contractors, to facilitate the better integration within the Sacramento Valley of all
290 water supplies including, but not limited to, the better management and integration of surface
291 water and groundwater, the development and better utilization of surface water storage, the
292 effective utilization of waste, seepage and return flow water, and other operational and
293 management options that may be identified in the future.

294 USE OF WATER FURNISHED TO CONTRACTOR

295 7. (a) The parties anticipate that, during the term of this Settlement Contract, a
296 gradual change in the purpose of use of water will occur within the place of water use shown in
297 Exhibit B from predominantly agricultural purposes to a mixture of municipal and industrial,
298 wildlife habitat and agricultural purposes, and the parties agree to work cooperatively to
299 accommodate and facilitate such change. Project Water furnished to the Contractor pursuant to

300 this Settlement Contract may be delivered or furnished by the Contractor for agricultural or
301 municipal and industrial purposes; Provided, however, that the Contractor shall not deliver or
302 furnish Project Water for municipal and industrial purposes without the written consent of the
303 Contracting Officer. Such consent will not be unreasonably withheld and a decision will be
304 provided in a timely manner following completion of any environmental review required under
305 applicable law. For purposes of this Settlement Contract, "agricultural purposes" includes, but is
306 not restricted to, the irrigation of crops, the watering of livestock, incidental domestic use
307 including related landscape irrigation, and underground water replenishment; and "municipal and
308 industrial purposes" includes, but is not limited to, the watering of landscaping or pasture for
309 animals (e.g., horses) which are kept for personal enjoyment or water delivered to landholdings
310 operated in units of less than five acres unless the Contractor establishes to the satisfaction of the
311 Contracting Officer that the use of Project Water is for agricultural purposes.

312 (b) The Contractor shall comply with requirements applicable to the
313 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
314 of this Settlement Contract undertaken pursuant to Section 7 of the Endangered Species Act of
315 1973, as amended, that are within the Contractor's legal authority to implement. The Existing
316 Contract, which evidences in excess of 40 years of diversions, for agricultural uses, of the
317 quantities of water provided for in Article 3, and the underlying water rights of the Contractor
318 will be considered in developing an appropriate base-line for the Biological Assessment prepared
319 pursuant to the Endangered Species Act, and in any other needed environmental review.

320 Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial
321 relief in a court of competent jurisdiction with respect to any biological opinion or other
322 environmental documentation referred to in this Article.

323 RATE AND METHOD OF PAYMENT FOR WATER

324 8. (a) The Contractor shall make payments to the United States as provided in
325 this Article for all Project Water shown in Exhibit A as follows:

326 (1) 75 percent of the amount shown as Project Water shall be paid for
327 by the Contractor in each Year; and in addition

328 (2) the Contractor shall pay for Project Water actually diverted in
329 excess of 75 percent of the amount shown as Project Water.

330 Such payments shall be at Rates and Charges established in accordance with: (i) the
331 Secretary's then-current ratesetting policies for the Project; and (ii) applicable Reclamation law
332 and associated rules and regulations, or policies; Provided, that if the Contractor desires to use
333 Project Water for other than agricultural purposes the Rates and Charges set forth above will be
334 adjusted by the Contracting Officer to the applicable Rates and Charges for such purposes;
335 Provided, further, that to enable the Contracting Officer to compute the applicable Rates and
336 Charges for Project Water diverted by the Contractor for other than agricultural use, including,
337 but not limited to diversions for municipal and industrial uses and diversions for direct
338 application to wildlife habitat (not including re-use of tailwater for habitat purposes), prior to
339 initiating any such diversions, the Contractor shall provide the Contracting Officer with an
340 estimate of the annual quantities of Project Water to be diverted or furnished for such purposes
341 through the end of the CVP repayment period as identified in the then-current ratesetting
342 policies. The Rates and Charges applicable to the Contractor upon execution of this Settlement
343 Contract are set forth in Exhibit D, as may be revised annually. The Secretary's ratesetting
344 policies for the Project shall be amended, modified, or superseded only through a public notice
345 and comment procedure. The Contracting Officer shall adjust the amount of Project Water for

346 which payment is required to the extent of any reduction in diversions of Project Water made in
347 accordance with the water conservation provisions of Article 29(e).

348 (b) The Contracting Officer shall notify the Contractor of the Rates and
349 Charges as follows:

350 (1) Prior to July 1 of each Year, the Contracting Officer shall provide
351 the Contractor an estimate of the Charges for Project Water that will be applied to the period
352 October 1, of the current Year, through September 30, of the following Year, and the basis for
353 such estimate. The Contractor shall be allowed not less than two months to review and comment
354 on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify
355 the Contractor in writing of the Charges to be in effect during the period October 1 of the current
356 Year, through September 30, of the following Year, and such notification shall revise Exhibit D.

357 (2) Prior to October 1 of each Year, the Contracting Officer shall make
358 available to the Contractor an estimate of the Rates for Project Water for the following Year and
359 the computations and cost allocations upon which those Rates are based. The Contractor shall be
360 allowed not less than two months to review and comment on such computations and cost
361 allocations. By December 31 of each Year, the Contracting Officer shall provide the Contractor
362 with the final Rates to be in effect for the upcoming Year, and such notification shall revise
363 Exhibit D.

364 (c) The Contractor shall pay the United States for Project Water in the
365 following manner:

366 (1) With respect to Rates, prior to May 1 of each Year, the Contractor
367 shall pay the United States one-half the total amount payable pursuant to subdivision (a) of this
368 Article and the remainder shall be paid prior to July 1 or such later date or dates as may be

369 specified by the United States in a written notice to the Contractor; Provided, however, that if at
370 any time during the Year the amount of Project Water diverted by the Contractor shall equal the
371 amount for which payment has been made, the Contractor shall pay for the remaining amount of
372 such water as shown in Exhibit A in advance of any further diversion of Project Water.

373 (2) With respect to Charges, the Contractor shall also make a payment
374 to the United States, in addition to the Rate(s) in subdivision (c)(1) of this Article, at the Charges
375 then in effect, before the end of the month following the month of delivery or transfer. The
376 payments shall be consistent with the quantities of Project Water delivered or transferred.
377 Adjustment for overpayment or underpayment of Charges shall be made through the adjustment
378 of payments due to the United States for Charges for the next month. Any amount to be paid for
379 past due payment of Charges shall be computed pursuant to Article 13 of this Settlement
380 Contract.

381 (d) Payments to be made by the Contractor to the United States under this
382 Settlement Contract may be paid from any revenues available to the Contractor. All revenues
383 received by the United States from the Contractor relating to the delivery of Project Water or the
384 delivery of non-Project water through Project facilities shall be allocated and applied in
385 accordance with Federal Reclamation law and the associated rules or regulations, and the then
386 current Project ratesetting policies for Irrigation Water.

387 (e) The Contracting Officer shall keep its accounts pertaining to the
388 administration of the financial terms and conditions of its long-term water service and Settlement
389 Contracts, in accordance with applicable Federal standards, so as to reflect the application of
390 Project costs and revenues. The Contracting Officer shall, each Year upon request of the
391 Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense

392 allocations, the disposition of all Project and Contractor revenues, and a summary of all water
393 delivery information. The Contracting Officer and the Contractor shall enter into good faith
394 negotiations to resolve any discrepancies or disputes relating to accountings, reports, or
395 information.

396 (f) The parties acknowledge and agree that the efficient administration of this
397 Settlement Contract is their mutual goal. Recognizing that experience has demonstrated that
398 mechanisms, policies, and procedures used for establishing Rates and Charges and/or for making
399 and allocating payments, other than those set forth in this Article may be in the mutual best
400 interest of the parties, it is expressly agreed that the parties may enter into agreements to modify
401 the mechanisms, policies, and procedures for any of those purposes while this Settlement
402 Contract is in effect without amendment of this Settlement Contract.

403 (g) For the term of this Settlement Contract, Rates under the respective
404 ratesetting policies for the Project will be established to recover only reimbursable operation and
405 maintenance (including any deficits) and capital costs of the Project, as those terms are used in
406 the then current Project ratesetting policies, and interest, where appropriate, except in instances
407 where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy.
408 Proposed changes of significance in practices which implement the ratesetting policies for the
409 Project will not be implemented until the Contracting Officer has provided the Contractor an
410 opportunity to discuss the nature, need, and impact of the proposed change. The Contractor
411 retains all rights to challenge the validity of Rates and Charges imposed pursuant to this
412 Settlement Contract, including but not limited to operation and maintenance expenses and
413 operation and maintenance deficits, in an appropriate administrative or judicial proceeding.

414 (h) Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates
415 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor shall be the
416 Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any)
417 of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of
418 delivery in accordance with the then-current ratesetting policies for the Project. Except as
419 provided in subsection 3407(d)(2)(A) of the CVPIA, the Charges for Project Water transferred,
420 exchanged, or otherwise disposed of, by the Contractor shall be the Contractor's Charges
421 specified in Exhibit D. If the Contractor is receiving lower Rates and Charges because of
422 inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to
423 another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and
424 Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the
425 Contractor's Rates and Charges unadjusted for ability to pay.

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

428 (j) Each payment to be made pursuant to subdivisions (a) and (c) of this
429 Article shall be made at the office of the Bureau of Reclamation, MP Region: Mid-Pacific,
430 P.O. Box 894242, Los Angeles, CA 90189-4242, or at such other place as the United States may
431 designate in a written notice to the said Contractor. Payments shall be made by cash transaction,
432 wire, or any other mechanism as may be agreed to in writing by the Contractor and the
433 Contracting Officer. In the event there should be a default in the payment of the amount due, the
434 delinquent payment provisions of Article 13 shall apply. The Contractor shall not be relieved of
435 the whole or any part of its said obligation by, on account of, or notwithstanding, as the case may
436 be:

- 437 (1) Its failure, refusal, or neglect to divert 75 percent of the quantity of
438 Project Water shown on Exhibit A;
- 439 (2) The default in payment to it by any water user of assessments,
440 tolls, or other charges levied by or owing to said Contractor;
- 441 (3) Any judicial determination that any assessment, toll, or other
442 charge referred to in subsection 8(c)(2) of this Settlement Contract is irregular, void, or
443 ineffectual; or
- 444 (4) Any injunctive process enjoining or restraining the Contractor
445 from making or collecting any such assessment, toll, or other charge referred to in subsection
446 8(c)(2) of this Settlement Contract.

447 AGREEMENT ON WATER QUANTITIES

- 448 .9. (a) During the term of this Settlement Contract and any renewals thereof:
- 449 (1) It shall constitute full agreement as between the United States and
450 the Contractor as to the quantities of water and the allocation thereof between Base Supply and
451 Project Water which may be diverted by the Contractor from the Sacramento River for beneficial
452 use on the land shown on Exhibit B from April 1 through October 31, which said diversion, use,
453 and allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations
454 hereunder;
- 455 (2) Neither party shall claim any right against the other in conflict with
456 the provisions of Article 9(a)(1) hereof.
- 457 (b) Nothing herein contained is intended to or does limit rights of the
458 Contractor against others than the United States or of the United States against any person other
459 than the Contractor; Provided, however, that in the event the Contractor, the United States, or

460 any other person shall become a party to a general adjudication of rights to the use of water of
461 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or position
462 of either party hereto or of any other person and the rights of all such persons in respect to the
463 use of such water shall be determined in such proceedings the same as if this Settlement Contract
464 had not been entered into, and if final judgment in any such general adjudication shall determine
465 that the rights of the parties hereto are different from the rights as assumed herein, the parties
466 shall negotiate an amendment to give effect to such judgment. In the event the parties are unable
467 to agree on an appropriate amendment they shall, within 60 days of determining that there is an
468 impasse, employ the services of a neutral mediator, experienced in resolving water rights
469 disputes, to assist in resolving the impasse. The cost of the mediation will be shared equally. A
470 failure to reach agreement on an amendment within 60 days of the end of mediation will cause
471 the immediate termination of this Settlement Contract.

472 (c) In the event that the California State Water Resources Control Board or a
473 court of competent jurisdiction issues a final decision or order modifying the terms and
474 conditions of the water rights of either party to this Settlement Contract in order to impose Bay-
475 Delta water quality obligations, the Contractor and the United States shall promptly meet to
476 determine whether or not to modify any of the terms of this Settlement Contract to comply with
477 the final decision or order, including, but not limited to, the applicability of the rescheduling
478 charge in Article 3(c)(1) of this Settlement Contract. If within 60 days of the date of the issuance
479 of the final decision or order the parties are not able to reach agreement regarding either the need
480 to modify this Settlement Contract or the manner in which this Settlement Contract is to be
481 modified, the parties shall promptly retain a neutral mediator, experienced in resolving water
482 right disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be

483 shared equally. In the event that either of the parties to this Settlement Contract determines that
484 the parties will not be able to develop mutually-agreeable modification(s) to this Settlement
485 Contract even with the assistance of a mediator, either of the parties to this Settlement Contract
486 may attempt to resolve the impasse by seeking appropriate judicial relief including, but not
487 limited to, filing a general adjudication of the rights to the use of water in the Sacramento River
488 system. The foregoing provisions of this sub-article shall only apply to the incremental
489 obligations contained within a final decision or order of the State Water Resources Control
490 Board that reflects a modification to the obligations imposed in State Water Resources Control
491 Board Revised Water Rights Decision 1641 dated March 15, 2000, and its associated 1995 Water
492 Quality Control Plan which, taken together, will be considered the baseline for the application of
493 the provisions of this sub-article.

494 (d) In the event this Settlement Contract terminates, the rights of the parties to
495 thereafter divert and use water shall exist as if this Settlement Contract had not been entered into;
496 and the fact that as a compromise settlement of a controversy as to the respective rights of the
497 parties to divert and use water and the yield of such rights during the term hereof, this Settlement
498 Contract places a limit on the Contract Total to be diverted annually by the Contractor during the
499 Settlement Contract term and segregates it into Base Supply and Project Water shall not
500 jeopardize the rights or position of either party with respect to its water rights or the yield thereof
501 at all times after the Settlement Contract terminates. It is further agreed that the Contractor at all
502 times will first use water to the use of which it is entitled by virtue of its own water rights, and
503 neither the provisions of this Settlement Contract, action taken thereunder, nor payments made
504 thereunder to the United States by the Contractor shall be construed as an admission that any part
505 of the water used by the Contractor during the term of this Settlement Contract was in fact water

506 to which it would not have been entitled under water rights owned by it nor shall receipt of
507 payments thereunder by the United States from the Contractor be construed as an admission that
508 any part of the water used by the Contractor during the term of this Settlement Contract was in
509 fact water to which it would have been entitled under water rights owned by it.

510 MEASUREMENT OF WATER

511 10. (a) All water diverted by the Contractor from the Sacramento River will be
512 diverted at the existing point or points of diversion shown on Exhibit A or at such other points as
513 may be mutually agreed upon in writing by the Contracting Officer and the Contractor.

514 (b) All water diverted from the Sacramento River pursuant to this Settlement
515 Contract will be measured or caused to be measured by the United States at each point of
516 diversion with existing equipment or equipment to be installed, operated, and maintained by the
517 United States, and/or others, under contract with and at the option of the United States. The
518 equipment and methods used to make such measurement shall be in accordance with sound
519 engineering practices. Upon request of the Contractor, the accuracy of such measurements will
520 be investigated by the Contracting Officer and any errors appearing therein will be corrected.

521 (c) The right of ingress to and egress from all points of diversion is hereby
522 granted to all authorized employees of the United States. The Contractor also hereby grants to
523 the United States the right to install, operate, maintain, and replace such equipment on diversion
524 or carriage facilities at each point of diversion as the Contracting Officer deems necessary.

525 (d) The Contractor shall not modify, alter, remove, or replace diversion
526 facilities or do any other act which would alter the effectiveness or accuracy of the measuring
527 equipment installed by the United States or its representatives unless and until the Contracting
528 Officer has been notified with due diligence and has been given an opportunity to modify such

529 measuring equipment in such manner as may be necessary or appropriate. In the event of an
530 emergency the Contractor shall notify the United States within a reasonable time thereafter as to
531 the existence of the emergency and the nature and extent of such modification, alteration,
532 removal, or replacement of diversion facilities.

533 (e) The Contractor shall pay the United States for the costs to repair, relocate,
534 or replace measurement equipment when the Contractor modifies, alters, removes, or replaces
535 diversion or carriage facilities.

536 (f) Contractor and Contracting Officer shall develop a mutually agreeable
537 surface water delivery water measurement program which shall be implemented by the
538 Contractor, and such measurement program shall be consistent with the conservation and
539 efficiency criteria for evaluating water conservation plans as provided in Article 29(a).

540 (g) All new surface water delivery systems installed within the lands
541 delineated on Exhibit B after the effective date of this Settlement Contract shall also comply with
542 the measurement provisions described in this Article.

543 RULES AND REGULATIONS

544 11. The parties agree that the delivery of Project Water for irrigation use or use of
545 Federal facilities pursuant to this Settlement Contract is subject to Federal Reclamation law,
546 including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C. 390aa et seq.), as
547 amended and supplemented, and the rules and regulations promulgated by the Secretary of the
548 Interior under Federal Reclamation law.

549 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

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

554 (b) The payment of Charges becoming due hereunder is a condition precedent
555 to receiving benefits under this Settlement Contract. The United States shall not make water
556 available to the Contractor through Project facilities during any period in which the Contractor
557 may be in arrears in the advance payment of water Rates due the United States. The Contractor
558 shall not furnish water made available pursuant to this Settlement Contract for lands or parties
559 which are in arrears in the advance payment of water rates levied or established by the
560 Contractor.

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

563 CHARGES FOR DELINQUENT PAYMENTS

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

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

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

581 QUALITY OF WATER

582 14. The operation and maintenance of Project facilities shall be performed in such
583 manner as is practicable to maintain the quality of raw water made available through such
584 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The
585 United States does not warrant the quality of water and is under no obligation to construct or
586 furnish water treatment facilities to maintain or better the quality of water.

587

WATER AND AIR POLLUTION CONTROL

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

592

EQUAL OPPORTUNITY

593 16. During the performance of this Settlement Contract, the Contractor agrees as
594 follows:

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

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

609 (c) The Contractor will send to each labor union or representative of workers
610 with which it has a collective bargaining agreement or other contract or understanding, a notice,
611 to be provided by the Contracting Officer, advising the said labor union or workers'
612 representative of the Contractor's commitments under Section 202 of Executive Order No. 11246
613 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places
614 available to employees and applicants for employment.

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

618 (e) The Contractor will furnish all information and reports required by said
619 amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or
620 pursuant thereto, and will permit access to its books, records, and accounts by the Contracting

621 Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with
622 such rules, regulations, and orders.

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

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

639 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

640 17. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
641 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
642 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights
643 laws, as well as with their respective implementing regulations and guidelines imposed by the
644 U.S. Department of the Interior and/or Bureau of Reclamation.

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

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

660 MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER

661 18. (a) Project Water must of necessity be transported by the Contractor to its
662 water users by means of the same works and channels used for the transport of its non-Project
663 Water including Base Supply. Notwithstanding such mingling of water, the provisions of Article
664 11 hereof shall be applicable only to Project Water, and such mingling of water shall not in any
665 manner subject to the provisions of Article 11 hereof the Contractor's non-Project water
666 including Base Supply.

667 (b) If required in accordance with subdivision (c) of this Article, the
668 Contractor shall install and maintain such measuring equipment and distribution facilities and
669 maintain such records as may be necessary to determine the amounts of water delivered to
670 Excess Lands served by the Contractor. The Contractor shall not within any month deliver to
671 Ineligible Lands water in excess of the non-Project Water, including Base Supply, for that
672 month. The Contracting Officer or authorized representative shall have the right at all
673 reasonable times to inspect such records and measuring equipment.

674 (c) The Contractor will not be considered in violation of the requirement that
675 Project Water be delivered only to Eligible Lands during any month of the irrigation season that
676 the water requirement for beneficial use on Eligible Lands for that month is equal to or in excess
677 of the Project Water for that month as shown on Exhibit A or any revision thereof pursuant to
678 subdivision (c) of Article 3. The water requirement for beneficial use on Eligible Lands will be
679 determined by multiplying:

680 (1) the number of irrigable acres of the particular types of crops grown
681 in that year on the acreage designated as eligible by

682 (2) the Unit Duties as set forth in Exhibit C attached hereto and made
683 a part hereof, or by such other Unit Duties mutually agreed upon by the Contractor and the
684 Contracting Officer. In order to make the computation of the water requirement for Eligible
685 Lands, on April 1 of each Year and concurrently with its order for water for the irrigation season,
686 the Contractor shall designate the acreage of and type of crops to be grown on its Eligible Lands
687 that irrigation season. During any month the water requirement as above determined for crops
688 growing on Eligible Lands during such month is equal to or in excess of the Project Water for
689 that month as provided herein the Contractor shall not be required to measure the water delivered
690 to Excess Lands. Any month the said water requirement is less than the amount of Project Water
691 as provided herein, the Contractor will be required to measure water delivered to excess land in
692 accordance with subdivision (b) hereof.

693 BOOKS, RECORDS, AND REPORTS

694 19. The Contractor shall establish and maintain accounts and other books and records
695 pertaining to administration of the terms and conditions of this Settlement Contract, including:
696 the Contractor's financial transactions, water supply data, and Project land and right-of-way
697 agreements; the water users' land-use (crop census), land ownership, land-leasing and water use
698 data; and other matters that the Contracting Officer may require. Reports thereon shall be
699 furnished to the Contracting Officer in such form and on such date or dates as the Contracting
700 Officer may require. Subject to applicable Federal laws and regulations, each party to this
701 Settlement Contract shall have the right during office hours to examine and make copies of each
702 other's books and official records relating to matters covered by this Settlement Contract.

703 CHANGE OF PLACE OF USE OR ORGANIZATION

704 20. (a) Unless the written consent of the United States is first obtained no change
705 shall be made in the place of water use shown on Exhibit B.

706 (b) While this Settlement Contract is in effect, no change shall be made in the
707 area of the Contractor as shown on its Exhibit B, by inclusion, exclusion, annexation, or
708 detachment of lands, by dissolution, consolidation, or merger or otherwise, except upon the

709 Contracting Officer's written consent thereto. Such consent will not be unreasonably withheld
710 and a decision will be provided in a timely manner.

711 (c) In the event lands are annexed to or detached from the area of the
712 Contractor, as provided herein, the quantity of Project Water to be diverted may be increased or
713 decreased, as may be appropriate, pursuant to a supplemental agreement to be executed in
714 respect thereto.

715 CONSOLIDATION OF CONTRACTING ENTITIES

716 21. Consolidation of Contractors may be approved by the Contracting Officer
717 provided: (i) the Contracting Officer approves the form and organization of the resulting entity
718 and the utilization by it of the Contract Total; and (ii) the obligations of the Contractors are
719 assumed by such entity.

720 No such consolidation shall be valid unless and until approved by the Contracting
721 Officer.

722 NOTICES

723 22. Any notice, demand, or request authorized or required by this Settlement Contract
724 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid,
725 or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation,
726 16349 Shasta Dam Boulevard., Shasta Lake, California 96019, and on behalf of the United
727 States, when mailed, postage prepaid, or delivered to the Board of Directors, Anderson-
728 Cottonwood Irrigation District, 2810 Silver Street, Anderson, California 96007. The
729 designation of the addressee or the address may be changed by notice given in the same manner
730 as provided in this Article for other notices.

731 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

732 23. (a) The provisions of this Settlement Contract shall apply to and bind the
733 successors and assigns of the parties hereto, but no assignment or transfer of this Settlement
734 Contract or any right or interest therein shall be valid until approved in writing by the
735 Contracting Officer.

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

739 (c) The Contracting Officer shall not unreasonably condition or withhold his
740 approval of any proposed assignment.

741 OFFICIALS NOT TO BENEFIT

742
743 24. (a) No Member of or Delegate to Congress, Resident Commissioner, or
744 official of the Contractor shall benefit from this Settlement Contract other than as a water user or
745 landowner in the same manner as other water users or landowners.

746 (b) No officer or member of the governing board of the Contractor shall
747 receive any benefit that may arise by reason of this Settlement Contract other than as a
748 landowner within the Contractor's Service Area and in the same manner as other landowners
749 within the said service area.

750 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

751 25. The expenditure or advance of any money or the performance of any obligation of
752 the United States under this Settlement Contract shall be contingent upon appropriation or
753 allotment of funds. Absence of appropriation or allotment of funds shall not relieve the
754 Contractor from any obligations under this Settlement Contract. No liability shall accrue to the
755 United States in case funds are not appropriated or allotted.

756 CONFIRMATION OF SETTLEMENT CONTRACT

757 26. The Contractor, after the execution of this Settlement Contract, shall promptly
758 seek to secure a decree of a court of competent jurisdiction of the State of California, if
759 appropriate, confirming the execution of this Settlement Contract. The Contractor shall furnish
760 the United States a certified copy of the final decree, the validation proceedings, and all pertinent
761 supporting records of the court approving and confirming this Settlement Contract, and
762 decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This Settlement
763 Contract shall not be binding on the United States until such final decree has been secured.

764 UNAVOIDABLE GROUNDWATER PERCOLATION

765 27. To the extent applicable, the Contractor shall not be deemed to have delivered
766 Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with groundwater
767 that reaches the underground strata as an unavoidable result of the delivery of Project Water by
768 the Contractor to Eligible Lands.

769

PRIVACY ACT COMPLIANCE

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

775 (b) With respect to the application and administration of the criminal penalty
 776 provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees
 777 responsible for maintaining the certification and reporting records referenced in (a) above are
 778 considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

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

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

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

795

WATER CONSERVATION

796 29. (a) Prior to the diversion of Project Water, the Contractor shall be
 797 implementing an effective water conservation and efficiency program based on the Basin-Wide
 798 Water Management Plan and/or Contractor's water conservation plan that has been determined
 799 by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water
 800 conservation plans established under Federal law. The water conservation and efficiency
 801 program shall contain definite water conservation objectives, appropriate economically feasible

802 water conservation measures, and time schedules for meeting those objectives. Continued
803 diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the
804 Contractor's continued implementation of such water conservation program. In the event the
805 Contractor's water conservation plan or any revised water conservation plan completed pursuant
806 to subdivision (c) of Article 29 of this Settlement Contract have not yet been determined by the
807 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer
808 determines are beyond the control of the Contractor, Project Water deliveries shall be made
809 under this Settlement Contract so long as the Contractor diligently works with the Contracting
810 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor
811 immediately begins implementing its water conservation and efficiency program in accordance
812 with the time schedules therein.

813 (b) The Contractor shall submit to the Contracting Officer a report on the
814 status of its implementation of the water conservation plan on the reporting dates specified in the
815 then existing conservation and efficiency criteria established under Federal law.

816 (c) At five-year intervals, the Contractor shall revise its water conservation
817 plan to reflect the then current conservation and efficiency criteria for evaluating water
818 conservation plans established under Federal law and submit such revised water management
819 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then
820 determine if the water conservation plan meets Reclamation's then current conservation and
821 efficiency criteria for evaluating water conservation plans established under Federal law.

822 (d) If the Contractor is engaged in direct ground-water recharge, such activity
823 shall be described in the Contractor's water conservation plan.

824 (e) In order to provide incentives for water conservation, the Contractor may
825 reduce the amount of Project Water for which payment is required under Article 8(a) in
826 accordance with the provisions of this Article 29(e).

827 (1) On or before February 15 of any Water Year, the Contractor may
828 file with Reclamation an offer to reduce Project Water use, hereinafter referred to as Offer. The
829 Offer shall specify the maximum quantity of Project Water to be diverted by the Contractor for
830 each month that Project Water is available for that Water Year under this Settlement Contract.
831 The Contracting Officer shall provide the Contractor with a decision, in writing, to the Offer on
832 or before March 15 of that Water Year. The dates specified in this Article 29(e)(1) can be
833 changed if mutually agreed to, in writing, by the Contractor and Contracting Officer.

834 (2) If Reclamation accepts the Offer, the Contractor's payment
835 obligation under Article 8(a)(1) shall be reduced to the maximum quantity of Project Water to be
836 diverted by the Contractor as specified in the Offer. The Contractor shall not divert Project
837 Water in excess of the quantities set forth in the Offer; Provided, however, if the Contractor's
838 diversions of Project Water exceed the quantities set forth in the Offer, the Contractor shall pay
839 to Reclamation the applicable Rates and Charges plus an amount equal to the applicable Rates
840 and Charges, unadjusted for ability to pay, for each acre-foot of Project Water diverted in excess
841 of the quantities set forth in the Offer.

842 (3) If Reclamation decides not to accept the Offer, the Contractor's
843 payment obligation will remain as specified in Article 8(a)(1).

844 (4) The provisions of this Article 29(e) shall be in addition to and shall
845 not affect the provisions of Article 3(e) pertaining to the sale, transfer, exchange, or other
846 disposal of the Contract Total designated in Exhibit A.

847

OPINIONS AND DETERMINATIONS

848 30. (a) Where the terms of this Settlement Contract provide for actions to be
849 based upon the opinion or determination of either party to this Settlement Contract, said terms
850 shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or
851 unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of
852 this Settlement Contract, expressly reserve the right to seek relief from and appropriate
853 adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each
854 opinion or determination by either party shall be provided in a timely manner. Nothing in
855 subdivision (a) of Article 30 of this Settlement Contract is intended to or shall affect or alter the
856 standard of judicial review applicable under Federal law to any opinion or determination
857 implementing a specific provision of Federal law embodied in statute or regulation.

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

CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

864 31. (a) In addition to all other payments to be made by the Contractor pursuant to
865 this Settlement Contract, the Contractor shall pay to the United States, within 60 days after
866 receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for
867 such specific items of direct cost incurred by the United States for work requested by the
868 Contractor associated with this Settlement Contract plus indirect costs in accordance with
869 applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this

870 Article shall not exceed the amount agreed to in writing in advance by the Contractor. This

871 Article shall not apply to costs for routine contract administration.

872 (b) All advances for miscellaneous costs incurred for work requested by the

873 Contractor pursuant to Article 31 of this Settlement Contract shall be adjusted to reflect the

874 actual costs when the work has been completed. If the advances exceed the actual costs incurred,

875 the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's

876 advances, the Contractor will be billed for the additional costs pursuant to Article 31 of this

877 Settlement Contract.

878 WAIVER OF DEFAULT

879 32. The waiver by either party to this Settlement Contract as to any default shall not

880 be construed as a waiver of any other default or as authority of the other party to continue such

881 default or to make, do, or perform, or not to make, do, or perform, as the case may be, any act or

882 thing which would constitute a default.

883 IN WITNESS WHEREOF, the parties hereto have executed this Settlement
884 Contract as of the day and year first hereinabove written.

885 THE UNITED STATES OF AMERICA

886 APPROVED AS TO LEGAL
887 FORM AND SUFFICIENCY
888 *James E. Thomas*
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

By: *John F. Davis*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

889 (SEAL)

890 ANDERSON-COTTONWOOD IRRIGATION
891 DISTRICT

892 By: *Brenda L. Haynes*
893 President

894 ATTEST:

895 *Debra*
896 Secretary

897 (H:\public\Sac River Final LTRC's\2005-01-31 ACID Final Draft Contract with exhibits.doc)

Exhibit A

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
Sacramento River

SCHEDULE OF MONTHLY DIVERSIONS OF WATER

	<u>Base Supply</u> (acre-feet)	<u>Project Water</u> (acre-feet)	<u>Contract Total</u> (acre-feet)
April	<u>8,000</u>	<u>0</u>	<u>8,000</u>
May	<u>10,000</u>	<u>0</u>	<u>10,000</u>
June	<u>22,000</u>	<u>0</u>	<u>22,000</u>
July	<u>22,000</u>	<u>3,000</u>	<u>25,000</u>
August	<u>22,000</u>	<u>4,000</u>	<u>26,000</u>
September	<u>19,000</u>	<u>0</u>	<u>19,000</u>
October	<u>18,000</u>	<u>0</u>	<u>18,000</u>
Total	<u>121,000</u>	<u>7,000</u>	<u>128,000</u>



Points of Diversion: 240.5L, 246.0R

Dated: 01-31-2005



Anderson-Cottonwood I.D.

Contract No. 14-06-200-3346A-R-1
Exhibit B

-  Contractor's Service Area
-  District Boundary

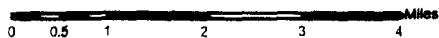


Exhibit C

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
Sacramento River

UNIT DUTY

(In Acre-Feet Per Acre)

	<u>Alfalfa and Irrigated Pasture</u>	<u>General Crops</u>
July	1.00	0.70
August	0.80	0.70

Dated: 01-31-2005

Exhibit D

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
 Sacramento River
2005 Water Rates and Charges per Acre-Foot

<u>COST OF SERVICE RATES:</u>	<u>Irrigation</u>	<u>M&I</u>
Capital Rates		
Storage	\$ 4.55	\$ 9.70
O&M Rates:		
Water Marketing	\$ 6.61	\$ 3.89
Storage	\$ 5.93	\$ 6.67
Deficit Rates:		
Interest Bearing	\$ 0.00*	\$ 0.00
CFO/PFR Adjustment Rate 1/	\$ <u>1.13</u>	\$ <u>0.00</u>
TOTAL	<u>\$18.22</u>	<u>\$20.26</u>

*Assumes payment of O&M deficit prior to or upon effective date of contract

<u>RESCHEDULING FEE:</u>	<u>\$5.58</u>	<u>\$ 8.19</u>
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FULL-COST RATES:

Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	<u>\$26.70</u>	<u>N/A</u>
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Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	<u>\$29.10</u>	<u>N/A</u>
---	----------------	------------

CHARGES UNDER P.L. 102-575 TO THE RESTORATION FUND 2/

Restoration Payments (3407(d)(2)(A))	<u>\$ 7.93</u>	<u>\$15.87</u>
--------------------------------------	----------------	----------------

1/ Chief Financial Officer (CFO) adjustment and Provision for Replacement (PFR) expense is being distributed over a 5-year period beginning in FY 2003 for those contractors that requested those costs be deferred.

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

BOARD OF DIRECTORS
ANDERSON-COTTONWOOD IRRIGATION DISTRICT
RESOLUTION NO. 2005-01

**RESOLUTION APPROVING LONG-TERM RENEWAL
OF CONTRACT BETWEEN THE UNITED STATES AND
ANDERSON-COTTONWOOD IRRIGATION DISTRICT,
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
SETTLING WATER RIGHTS DISPUTES AND
PROVIDING FOR PROJECT WATER**

AS A BASIS AND PREMISE for this Resolution, the Board of Directors of ANDERSON-COTTONWOOD IRRIGATION DISTRICT (District) finds and states as follows:

1. The District has, since June 07, 1967, held a water rights settlement contract with the United States Department of the Interior, Bureau of Reclamation ("Reclamation") bearing Contract No. 14-06-200-3346A (the "Original Contract").
2. The Original Contract would have expired on March 31, 2004.
3. In advance of that expiration, the District and Reclamation entered into negotiations for a long-term renewal of the Original Contract.
4. By Act of Congress, the Original Contract was extended for a period of two years, because the negotiations and related procedures had not been completed by March 31, 2004.
5. The negotiations and related procedures have now been completed, and Reclamation has presented to the District the agreed upon final form of renewal contract bearing Contract No. 14-06-200-3346A-R1 (the "Renewal Contract").
6. It would be in the best interests of the District to approve the Renewal Contract and to authorize the officials and staff of the District to carry out any actions necessary to implement the Renewal Contract.

NOW, THEREFORE, be it RESOLVED, ADJUDGED and ORDAINED that:

1. The Board of Directors of the Anderson-Cottonwood Irrigation District hereby approves the Renewal Contract between Reclamation and the District.

2. The President and Secretary of the Board of Directors or any other officials of the District are authorized and directed to execute the Renewal Contract on behalf of the District.

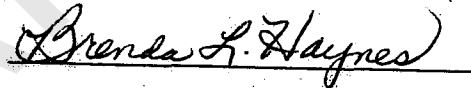
3. The officials and staff of the District are authorized and directed to take any other action necessary to implement the terms of the Renewal Contract.

PASSED AND ADOPTED on this the 10th day of February, 2005 at a regular meeting of the Board of Directors by the following vote:

AYES: Andrews, Jordan, Haynes, Leitaker, Sartori

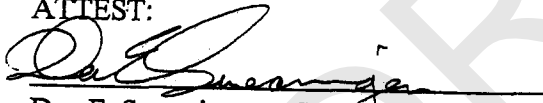
NOES: None

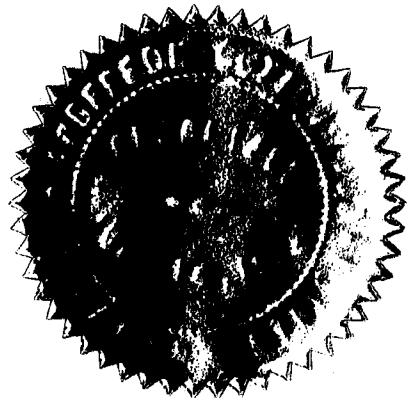
ABSENT: None



Brenda Haynes - President

ATTEST:


Dee E. Swearingen - Secretary



WATER USE AGREEMENT

This Agreement, effective March 1, 2016, is made by and between THE MCCONNELL FOUNDATION, a California non-profit corporation, (hereafter "McConnell") and BELLA VISTA WATER DISTRICT, a California Water District organized and existing under and by virtue of the laws of the State of California (hereafter "Contractor").

RECITALS

A. McConnell has the right to receive 5,100 acre feet of water each year from the United States Department of the Interior, Bureau of Reclamation's (hereafter "Reclamation") Central Valley Project (hereafter "CVP") pursuant to a written contract dated August 11, 2000 (hereafter the "Contract").

B. Under the terms of the Contract, McConnell may designate the place of delivery of Contract water to any areas in Shasta County, California, that are within the permitted place of use for CVP water and temporarily assign its rights to receive Contract water to another party.

C. Contractor holds an existing contract to receive CVP water from Reclamation. Contractor's service area is within the permitted place of use for CVP water.

D. McConnell desires to grant to Contractor, and Contractor desires to purchase, the right to receive One Hundred (100) acre feet of Contract water, pursuant to the terms and conditions set forth below.

NOW, THEREFORE, the parties agree as follows:

TERMS AND CONDITIONS

1. **Purpose of Agreement:** The purpose of this Agreement is to allow Contractor to purchase a portion of McConnell's Contract water during the 2016-2017 water year ("Water Year") only.

2. **Term of Agreement:** This Agreement is effective as of the date first indicated above and shall expire February 28, 2017, unless otherwise extended by a written agreement signed by both parties.

3. **Quantity of Water:** The quantity of water Contractor is entitled to receive under this Agreement is One Hundred (100) acre feet (hereafter "Quantity"). Contractor shall be obligated to "take or pay" for the total Quantity. Water delivered to Contractor under this Agreement shall be made available to Contractor by Reclamation pursuant to the terms of the Contract and in the quantity set forth in the Water Delivery Schedule attached hereto as Exhibit "A" and incorporated herein by reference, or as subsequently amended.

4. **Measurement of Water:** The water made available to Contractor under this Agreement will be measured with equipment owned, installed, operated and maintained by Contractor. Upon

request by McConnell, Contractor will investigate the accuracy of such measurements and promptly correct any discovered errors.

5. **Use of Water:** The parties agree that water made available under this Agreement may be used for municipal and irrigation purposes.

6. **Payment for Water:** Contractor shall pay to McConnell the sum of Forty Thousand Dollars (\$40,000.00) (the "Purchase Price") for the right to receive the Quantity of water provided for under this Agreement. Such Purchase Price shall be paid by Contractor to McConnell as follows:

\$40,000.00 Upon execution of this Agreement

Contractor understands and agrees that this is a "take or pay" agreement and that Contractor's failure to take delivery of water scheduled under this Contract does not affect Contractor's obligation to pay for the water purchased. Payment to McConnell shall be delivered to the address indicated in Paragraph 14, below.

7. **Delivery Schedule:** Water shall be available for diversion by Contractor at its existing point of diversion for CVP water in accordance with the attached Water Delivery Schedule. Any quantity of water not diverted by Contractor during the month in which it is scheduled shall be available to Contractor during any subsequent month of the Water Year only upon rescheduling through a revised Water Delivery Schedule and subject to Reclamation's prior approval. Failure by Reclamation to reschedule unused water shall not relieve Contractor of its obligation to pay McConnell for the water.

8. **Limits on Use:** Contractor may use the water diverted under this Agreement for any beneficial use within its existing service area for CVP water. Contractor may not reallocate, transfer, sell or exchange any portion of the water diverted under this Agreement without McConnell's prior written approval, which may be withheld at McConnell's sole discretion.

9. **Reporting Requirements:** Contractor shall provide McConnell with monthly reports identifying the quantity of water diverted under this Agreement during the immediately preceding month. These reports must be received by McConnell by the 7th day of each month following any month in which water is diverted under this Agreement. Contractor also shall report to Reclamation by the 10th day of each month the quantity of water diverted under this Agreement.

10. **Interruption by Reclamation:** Contractor understands that the water made available under this Agreement is being delivered by Reclamation pursuant to the terms of McConnell's Contract. McConnell shall not be liable to Contractor for any interruption or reduction of water deliveries under this Agreement caused by Reclamation not delivering water under McConnell's Contract. In the event Reclamation does not deliver water to Contractor under this agreement for reasons unrelated to Contractor's actions or inactions, Contractor shall not be required to pay for the undelivered quantity, and/or shall be entitled to a refund for such undelivered quantity, at the rate of Four Hundred Dollars (\$400) per acre foot of water not so delivered.

11. **Default:** If Contractor fails to pay any amount owed under this Agreement for a period of three (3) days after receiving written notice of this failure from McConnell, McConnell may terminate this Agreement and exercise its rights and remedies under the law.

12. **Assignment Restricted:** Contractor's rights and obligations under this Agreement shall not be assigned without McConnell's prior written consent, which may be withheld in McConnell's sole and absolute discretion, and any assignment without consent shall be void and have no effect. Subject to this restriction, this Agreement shall inure to the benefit of and be binding on the parties and their respective successors, heirs and assigns.

13. **Indemnification and Hold Harmless:** McConnell shall not be responsible for the control, carriage, handling, use, disposal or distribution of water made available to Contractor under this Agreement. Contractor shall indemnify, defend and hold McConnell, its affiliates, partners, officers, directors, shareholders, employees, independent contractors, agents, successors and assigns harmless from any damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water, including but not limited to court costs and attorney fees and the fees of expert witnesses.

14. **Notices:** Any notices given under this Agreement shall be in writing and shall be served either personally or delivered by first class or express United States mail with postage prepaid, return receipt requested pursuant to registered or certified mail, or by a nationally recognized overnight commercial courier service with charges prepaid. Notices may also effectively be given by transmittal over electronic transmitting devices if the party to whom the notice is being sent has a receiving device in its office, and provided a complete copy of the notice shall also be served either personally or in the same manner as required for a mailed notice. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail with postage prepaid or with a nationally recognized overnight commercial courier service with charges prepaid. Notices shall be directed to the following addresses:

To: McConnell,

John Mancasola
The McConnell Foundation
800 Shasta View Drive
Redding, CA 96003-8208

With a copy to:

Michael P. Ashby
Carr, Kennedy, Peterson & Frost
420 Redcliff Drive
Redding, CA 96002

To: Contractor,

David Coxey, General Manager
Bella Vista Water District
11368 East Stillwater Way
Redding, California 96003-9510

Any party may change its address for notice purposes by giving notice to the others in accordance with this paragraph, provided that the address change shall not be effective until three (3) days after notice of the change.

15. **Force Majeure:** Neither party shall be liable for any loss, damage or penalty resulting from delays or failures in performance resulting from acts of God or other causes beyond its control. Each party agrees to notify the other party promptly of any circumstance delaying its performance and to resume performance as soon thereafter as is reasonably practicable. If there is such a delay or failure due to events as set forth in this paragraph, such delay or failure will result in all scheduled deadlines and time limitations being extended by an amount of time equal to such delay or failure.

16. **Severability:** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

17. **Attorneys' Fees:** In any dispute between the parties, whether or not resulting in litigation, the prevailing party shall be entitled to recover from the other party all reasonable costs, including, without limitation, reasonable attorneys' fees.

18 **No Party Deemed Drafter:** In the event of a dispute between any of the parties hereto over the meaning of this Agreement, no party shall be deemed to have been the drafter hereof, and the principle of law that contracts are construed against the drafter does not and shall not apply.


19. **Authority:** Upon request, each party shall deliver to the other party a certified copy of a resolution of its board of directors/governing body or other evidence authorizing the execution of this Agreement and naming the persons authorized to execute this Agreement on behalf of the named entity.

20. **Counterpart Copies:** This Agreement may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

21. **Entire Agreement/Amendments:** This Agreement, which includes the Exhibits, contains all representations and the entire understanding and agreement between the parties. Correspondence, memoranda, and oral or written agreements which originated before the date of this Agreement are replaced in total by this Agreement unless otherwise expressly stated in this Agreement. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of all parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the date and year indicated below.


THE MCCONNELL FOUNDATION:

By: 
JOHN A. MANCASOLA,
Executive Vice-President

Date: 6.8.16

CONTRACTOR:

BELLA VISTA WATER DISTRICT,
a California Water District organized
and existing under and by virtue of
the laws of the State of California

By: 
DAVID COXEY
General Manager

Date: 6/9/16

DRAFT

EXHIBIT "A"

**WATER SCHEDULE
THE MCCONNELL FOUNDATION/BELLA VISTA WATER DISTRICT**

WATER YEAR 2016-2017

Month	Quantity	Point of Diversion	Place of Use
May	50 af	Wintu Pump Station	Bella Vista Water Dist.
June	50 af	Wintu Pump Station	Bella Vista Water Dist.
Total	100 af		

DRAFT

WATER USE AGREEMENT

This Agreement, effective April 11, 2018, is made by and between THE MCCONNELL FOUNDATION, a California non-profit corporation, (hereafter "McConnell") and BELLA VISTA WATER DISTRICT, a California Water District organized and existing under and by virtue of the laws of the State of California (hereafter "Contractor").

RECITALS

A. McConnell has the right to receive 5,100 acre feet of water each year from the United States Department of the Interior, Bureau of Reclamation's (hereafter "Reclamation") Central Valley Project (hereafter "CVP") pursuant to a written contract dated August 11, 2000 (hereafter the "Contract").

B. Under the terms of the Contract, McConnell may designate the place of delivery of Contract water to any areas in Shasta County, California, that are within the permitted place of use for CVP water and temporarily assign its rights to receive Contract water to another party.

C. Contractor holds an existing contract to receive CVP water from Reclamation. Contractor's service area is within the permitted place of use for CVP water.

D. McConnell desires to grant to Contractor, and Contractor desires to purchase, the right to receive One Hundred (100) acre feet of Contract water, pursuant to the terms and conditions set forth below.

NOW, THEREFORE, the parties agree as follows:

TERMS AND CONDITIONS

1. **Purpose of Agreement:** The purpose of this Agreement is to allow Contractor to purchase a portion of McConnell's Contract water during the 2018-2019 water year ("Water Year") only.

2. **Term of Agreement:** This Agreement is effective as of the date first indicated above and shall expire February 28, 2019, unless otherwise extended by a written agreement signed by both parties.

3. **Quantity of Water:** The quantity of water Contractor is entitled to receive under this Agreement is One Hundred (100) acre feet (hereafter "Quantity"). Contractor shall be obligated to "take or pay" for the total Quantity. Water delivered to Contractor under this Agreement shall be made available to Contractor by Reclamation pursuant to the terms of the Contract and in the quantity set forth in the Water Delivery Schedule attached hereto as Exhibit "A" and incorporated herein by reference, or as subsequently amended.

4. **Measurement of Water:** The water made available to Contractor under this Agreement will be measured with equipment owned, installed, operated and maintained by Contractor. Upon request by McConnell, Contractor will investigate the accuracy of such measurements and promptly correct any discovered errors.

5. **Use of Water:** The parties agree that water made available under this Agreement may be used for municipal and irrigation purposes.

6. **Payment for Water:** Contractor shall pay to McConnell the sum of Twenty-Five Thousand Dollars (\$25,000.00) (the "Purchase Price") for the right to receive the Quantity of water provided for under this Agreement. Such Purchase Price shall be paid by Contractor to McConnell as follows:

\$25,000.00 Upon execution of this Agreement

Contractor understands and agrees that this is a "take or pay" agreement and that Contractor's failure to take delivery of water scheduled under this Contract does not affect Contractor's obligation to pay for the water purchased. Payment to McConnell shall be delivered to the address indicated in Paragraph 14, below.

7. **Delivery Schedule:** Water shall be available for diversion by Contractor at its existing point of diversion for CVP water in accordance with the attached Water Delivery Schedule. Any quantity of water not diverted by Contractor during the month in which it is scheduled shall be available to Contractor during any subsequent month of the Water Year only upon rescheduling through a revised Water Delivery Schedule and subject to Reclamation's prior approval. Failure by Reclamation to reschedule unused water shall not relieve Contractor of its obligation to pay McConnell for the water.

8. **Limits on Use:** Contractor may use the water diverted under this Agreement for any beneficial use within its existing service area for CVP water. Contractor may not reallocate, transfer, sell or exchange any portion of the water diverted under this Agreement without McConnell's prior written approval, which may be withheld at McConnell's sole discretion.

9. **Reporting Requirements:** Contractor shall provide McConnell with monthly reports identifying the quantity of water diverted under this Agreement during the immediately preceding month. These reports must be received by McConnell by the 7th day of each month following any month in which water is diverted under this Agreement. Contractor also shall report to Reclamation by the 10th day of each month the quantity of water diverted under this Agreement.

10. **Interruption by Reclamation:** Contractor understands that the water made available under this Agreement is being delivered by Reclamation pursuant to the terms of McConnell's Contract. McConnell shall not be liable to Contractor for any interruption or reduction of water deliveries under this Agreement caused by Reclamation not delivering water under McConnell's Contract. In the event Reclamation does not deliver water to Contractor under this agreement for reasons unrelated to Contractor's actions or inactions, Contractor shall not be required to pay for the undelivered quantity, and/or shall be entitled to a refund for such undelivered quantity, at the rate of Two Hundred Fifty Dollars (\$250) per acre foot of water not so delivered.

11. **Default:** If Contractor fails to pay any amount owed under this Agreement for a period of three (3) days after receiving written notice of this failure from McConnell, McConnell may terminate this Agreement and exercise its rights and remedies under the law.

12. **Assignment Restricted:** Contractor's rights and obligations under this Agreement shall not be assigned without McConnell's prior written consent, which may be withheld in McConnell's sole and absolute discretion, and any assignment without consent shall be void and have no effect. Subject to this restriction, this Agreement shall inure to the benefit of and be binding on the parties and their respective successors, heirs and assigns.

13. **Indemnification and Hold Harmless:** McConnell shall not be responsible for the control, carriage, handling, use, disposal or distribution of water made available to Contractor under this Agreement. Contractor shall indemnify, defend and hold McConnell, its affiliates, partners, officers, directors, shareholders, employees, independent contractors, agents, successors and assigns harmless from any damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water, including but not limited to court costs and attorney fees and the fees of expert witnesses.

14. **Notices:** Any notices given under this Agreement shall be in writing and shall be served either personally or delivered by first class or express United States mail with postage prepaid, return receipt requested pursuant to registered or certified mail, or by a nationally recognized overnight commercial courier service with charges prepaid. Notices may also effectively be given by transmittal over electronic transmitting devices if the party to whom the notice is being sent has a receiving device in its office, and provided a complete copy of the notice shall also be served either personally or in the same manner as required for a mailed notice. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail with postage prepaid or with a nationally recognized overnight commercial courier service with charges prepaid. Notices shall be directed to the following addresses:

To: McConnell,

John Mancasola
The McConnell Foundation
800 Shasta View Drive
Redding, CA 96003-8208

With a copy to:

Jeffery J. Swanson
2515 Park Marina Drive, Ste. 102
Redding, CA 96001

To: Contractor,

David Coxey, General Manager
Bella Vista Water District
11368 East Stillwater Way
Redding, California 96003-9510

Any party may change its address for notice purposes by giving notice to the others in accordance with this paragraph, provided that the address change shall not be effective until three (3) days after notice of the change.

15. **Force Majeure**: Neither party shall be liable for any loss, damage or penalty resulting from delays or failures in performance resulting from acts of God or other causes beyond its control. Each party agrees to notify the other party promptly of any circumstance delaying its performance and to resume performance as soon thereafter as is reasonably practicable. If there is such a delay or failure due to events as set forth in this paragraph, such delay or failure will result in all scheduled deadlines and time limitations being extended by an amount of time equal to such delay or failure.

16. **Severability**: The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

17. **Attorneys' Fees**: In any dispute between the parties, whether or not resulting in litigation, the prevailing party shall be entitled to recover from the other party all reasonable costs, including, without limitation, reasonable attorneys' fees.

18. **No Party Deemed Drafter**: In the event of a dispute between any of the parties hereto over the meaning of this Agreement, no party shall be deemed to have been the drafter hereof, and the principle of law that contracts are construed against the drafter does not and shall not apply.

19. **Authority**: Upon request, each party shall deliver to the other party a certified copy of a resolution of its board of directors/governing body or other evidence authorizing the execution of this Agreement and naming the persons authorized to execute this Agreement on behalf of the named entity.

20. **Counterpart Copies**: This Agreement may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

21. **Entire Agreement/Amendments**: This Agreement, which includes the Exhibits, contains all representations and the entire understanding and agreement between the parties. Correspondence, memoranda, and oral or written agreements which originated before the date of this Agreement are replaced in total by this Agreement unless otherwise expressly stated in this Agreement. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of all parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the date and year indicated below.

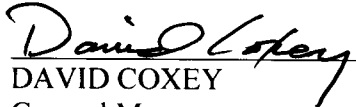
THE MCCONNELL FOUNDATION:

By: 
JOHN A. MANCASOLA,
President

Date: 4.18.18

CONTRACTOR:

BELLA VISTA WATER DISTRICT,
a California Water District organized
and existing under and by virtue of
the laws of the State of California

By: 
DAVID COXEY
General Manager

Date: 4/11/18

DRAFT

EXHIBIT "A"

**WATER SCHEDULE
THE MCCONNELL FOUNDATION/BELLA VISTA WATER DISTRICT**

WATER YEAR 2018-2019

Month	Quantity	Point of Diversion	Place of Use
September	100 af	Wintu Pump Station	Bella Vista Water Dist.
Total	100 af		

* June

DRAFT



United States Department of the Interior

BUREAU OF RECLAMATION
Northern California Area Office
16349 Shasta Dam Boulevard
Shasta Lake, CA 96019-8400



IN REPLY REFER TO:

July 16, 2020

NC-446
2.2.22.4

Mr. David Coxey
General Manager
Bella Vista Water District
11368 East Stillwater Way
Redding, CA 96003

Subject: Transfer of up to 4,700 Acre-Feet of Central Valley Project (Project) Water from Bella Vista Water District (Bella Vista), Contract Number 14-06-200-851A-LTR1 (Contract 851A-LTR1) to Colusa County Water District (Colusa), Contract Number 14-06-200-304-A-LTR1, During the 2020 Contract Year

Dear Mr. Coxey:

We received Bella Vista's request to transfer up to 4,700 af of Project Water to Colusa pursuant to Article 9 of Contract 851A-LTR1 during the 2020 contract year.

Bella Vista's transfer request is approved subject to the following:

- The water will be transferred during the 2020 contract year; and will be for irrigation purposes.
- The use of the water will be subject to the acreage limitation provisions of the Reclamation Reform Act of 1982 and will be delivered only to eligible lands.
- Bella Vista will submit payment for the water to be transferred in accordance with Article 7(c) of Contract 851A-LTR1.
- Bella Vista will be responsible for paying the United States the effective transfer rate of \$86.43/af, the Irrigation Restoration charge of \$10.91/af, the Trinity Public Utility District Assessment of \$0.12/af, and the Direct Pumping PUE of \$14.19/af for each acre-foot of Project water transferred. Please see the enclosed transfer rate calculation sheet.
- The water will be transferred in accordance with the Environmental Assessment/Finding of No Significant Impact, dated July 15, 2020, prepared to comply with the National Environmental Policy Act. A copy is enclosed for your information.

Please contact Mr. Jake Berens at 530-892-6203 or jberens@usbr.gov if there are any questions.

Sincerely,

**RICHARD
ROBERTSON** Digitally signed by
RICHARD ROBERTSON
Date: 2020.07.15
16:26:50 -07'00'

Richard Robertson
Chief, Water and Lands Division

Enclosures – 2

cc: Ms. Shelly Murphy
(w/encls)

DRAFT

Central Valley Project
Transfer Form
2020
Transferor, Renewed Contract

Use the Business Practice Guidelines for Accounting for CVP Water Transfers, Exhibits A and C.

Transferor: Irrigation, Renewed Water Contractor: Bella Vista WD - Cow Creek
 Transfer Purpose: Irrigation Water Contractor: Colusa County WD - TCC

	Rates
Identify the Transferor's Cost of Service Rate (Schedule A-2A)	<u>93.69</u>
Reduce Rate for Transferor's Direct Pumping O&M	(14.32)
Reduce Rate for Transferor's Ability to Pay Capital Relief (Cost to Power) (Schedule A-2A)	<u> </u>
Add Additional Services to Transferee that Apply	
Storage Capital	
San Felipe Unit	<u> </u>
All Others	<u> </u>
Conveyance Pumping Capital	
Corning PP	<u> </u>
Dos Amigos PP	<u> </u>
O'Neill PGP	<u> </u>
Tracy PP	<u> </u>
FK/Madera Exchange	<u> </u>
All Other Contractors	<u> </u>
Conveyance Capital (Schedule A-2Bb)	
Direct Ppg Capital (Schedule A-2Bb)	7.06
Ability to Pay Capital Relief (Cost to Power)	<u> </u>
Storage O&M	<u> </u>
Direct Pumping O&M (Schedule A-2A)	<u> </u>
Effective Transfer Rate	<u>86.43</u>
Project Use Energy Payment ¹	
Direct Pumping PUE (Schedule A-2A)	14.19 *
Other PUE Remittance (Schedule A-2A)	<u> </u>
Total Transfer Rate	<u>100.62</u>
Identify Transferor's Tiered Water Rates (Begin with the Transferor's Full Cost 202(3) Rate)	
	Full Cost==> <u>135.40</u> *
Tier 2: Applicable to > 81 <= 90% of transferor's entitlement	<u> </u>
Tier 3: Applicable to > 90% of transferor's entitlement	<u> </u>
Identify Applicable Full Cost (FC) Interest Water Rate for Transferee.	
	Full Cost Water Rate
	Additional Interest from Eff. Rate Tier 2 Tier 3
202(3) Interest Rate? Total FC Rate==> <u>117.25</u> <==Total FC Rate	<u> </u>
205(a)(3) Interest Rate? Total FC Rate==> <u>154.47</u> <==Total FC Rate	<u> </u>
Irrigation Restoration Fund Charge (Schedule A-1)	
Restoration Fund Charge	10.91
Ability to Pay Restoration Fund Charge Relief (Cost to Power)	-
Applicable Restoration Fund Charge for Transfer Water	<u>10.91</u>
Trinity Public Utilities District Assessment (Schedule A-1)	<u>0.12</u>
Friant Surcharge: Water being diverted from the Friant-Kern Canal or Millerton Reservoir	<u> </u>
Total = Total Transfer Rate + Restoration + Trinity PUD Assessment	<u>111.65</u>

* If Applicable, Distribution System interest identified on Irrigation water ratebook, Schedule A-3A is excluded.
 1. Applicable Project Use Energy Rates: Transferor's Other PUE Remittance rate and transferee's Direct Pumping PUE O&M rates are applicable. Conversely, any transferee's Other PUE Remittance rate and transferor's Direct Pumping O&M PUE rates are not applicable.



— BUREAU OF —
RECLAMATION

Finding of No Significant Impact

Project Water Transfer - Bella Vista Water District to Colusa
County Water District – Water Year 2020 (March 1, 2020 –
February 28, 2021)

CGB-EA-2020-029
EA-20-06-NCAO

Prepared by:

Megan Simon
Northern California Area Office Designee for
Tribal Trust Assets

Concurrence by:

Paul Zedonis
Environmental and Natural Resources
Supervisory Natural Resource Specialist/
Division Manager
Northern California Area Office

Approved by:

Donald Bader
Area Manager
Northern California Area Office

Background

Reduced rainfall during winter and spring 2020 resulted in Reclamation reducing agricultural Project Water allocations by 50 percent. This quantity of water is insufficient to meet current year irrigation requirements for Colusa County Water District (CCWD). The purpose of the project is to transfer Project Water to alleviate the shortfall in water supply to the CCWD.

Proposed Action

The Proposed Action is approval of the transfer of up to 4,700 AF of Project Water from the Bella Vista Water District (BVWD) to CCWD during Water Year 2020 (March 1, 2020 through February 28, 2021). The Districts' current delivery schedules propose for the water to be diverted from July through September of 2020. This transfer water is a contractual entitlement under the water service contract between Reclamation and BVWD (Contract# 14-06-200-851A-LTR1). The CCWD is also a Project contractor in the same area of origin as BVWD, and therefore the transfer would be conducted in accordance with Section 3405(a)(1)(M) of the Central Valley Project Improvement Act (CVPIA).

Per BVWD's Contract 14-06-200-851A-LTR1, this Project Water would originate at Trinity Lake. Water of this origin serves multiple purposes: agricultural and municipal and industrial uses; generation of hydroelectric power; providing a cold-water resource for protection of Endangered Species Act (ESA)-listed fish species, and; water temperature management on the Trinity and Sacramento Rivers.

Findings

The EA was prepared in accordance with the National Environmental Policy Act, Council on Environmental Quality regulations (40 CFR 1500-1508), and Department of the Interior Regulations (43 CFR Part 46). The EA found that any potential environmental impacts from the Proposed Action would be minor, primarily due to the small amount of water contemplated for transfer. As a result, Reclamation has determined that implementing the Proposed Action is not a major Federal action that would significantly affect the quality of the human environment, and therefore does not require the preparation of an Environmental Impact Statement.

Reclamation's determination is supported by the EA that describes the existing environmental resources in the Project area and evaluated the effects of the Proposed Action and No Action Alternative on those resources. The analysis provided in the EA is incorporated by reference. Reclamation's determination that the Proposed Action will not result in significant impacts is summarized below with references to sections of regulations, Executive Orders and agency policies defining "significant" (provided in parentheses), where applicable:

- The Proposed Action will not significantly affect public health or safety (40 CFR 1508.27(b)(3))
- The Proposed Action will not significantly impact natural resources and unique geographical characteristics such as historic or cultural resources; parks, recreation, and refuge lands; wilderness areas; Wild and Scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (Executive Order (EO) 11990); flood plains (EO 11988); national monuments; migratory birds; and other ecologically significant or critical areas (40 CFR 1508.27(b)(3) and 43 CFR 46.215(b)).
- The Proposed Action will not have possible effects on the human environment that are highly uncertain or involve unique or unknown risks (40 CFR 1508.27(b)(5)).
- The Proposed Action will neither establish a precedent for future actions with significant effects nor represent a decision in principle about a future consideration (40 CFR 1508.27(b)(6)).
- There is no potential for the effects to be considered highly controversial (40 CFR 1508.27(b)(4)).
- The Proposed Action will not have significant cumulative impacts (40 CFR 1508.27(b)(7)).
- The Proposed Action will not have significant effects on historic properties (40 CFR 1508.27(b)(8)).
- The Proposed Action will have no effect on proposed or listed threatened or endangered species (40 CFR 1508.27(b)(9)).
- The Proposed Action will not violate Federal, state, tribal or local law or requirements imposed for the protection of the environment (40 CFR 1508.27(b)(10)).
- The Proposed Action will not affect any Indian Trust Assets (512 DM 2, Policy Memorandum dated December 15, 1993).
- Implementing the Proposed Action will not disproportionately affect minorities or low-income populations and communities (EO 12898).
- The Proposed Action will not limit access to, and ceremonial use of, Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (EO 13007 and 512 DM 3).



— BUREAU OF —
RECLAMATION

Environmental Assessment

Project Water Transfer - Bella Vista Water District to Colusa
County Water District – Water Year 2020 (March 1, 2020 –
February 28, 2021)

CGB-EA-2020-029

EA-20-06-NCAO

EA Preparation Cost of Approximately \$3,000

DRAFT

Mission Statements

The Department of the Interior (DOI) conserves and manages the Nation's natural resources and cultural heritage for the benefit and enjoyment of the American people, provides scientific and other information about natural resources and natural hazards to address societal challenges and create opportunities for the American people, and honors the Nation's trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities to help them prosper.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

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Section 1 Introduction

Background

The Bureau of Reclamation proposes to approve a water transfer of up to 4,700 acre-feet (AF) of Central Valley Project (Project) water from the Bella Vista Water District (BVWD) to the Colusa County Water District (CCWD). The source of the transfer water is a contractual entitlement under a Project Water service contract between Reclamation and BVWD. The CCWD is a Project Water service contractor in the same area of origin as BVWD, and therefore the transfers will be conducted in accordance with Section 3405(a)(1)(M) of the Central Valley Project Improvement Act (CVPIA). The water to be transferred will be provided by the BVWD, located in Shasta County, and conveyed to CCWD, located in Colusa and Yolo counties, via the Tehama-Colusa Canal (TCC).

Need for the Proposal

The purpose of the project is to transfer Project Water to alleviate a shortfall in water supply to the CCWD in Water Year 2020 (March 1, 2020 through February 28, 2021). This shortfall stems from the reduced rainfall during the winter and spring that resulted in reduced Project Water allocations for agricultural use. Reclamation's February 25, 2020 news release announced that north of the delta allocation are 75 percent of historic use or public health and safety for municipal and industrial (M&I) contractors and 50 percent for agricultural contractors. This quantity of water is insufficient to meet current year irrigation requirements for CCWD.

Scope

This Environmental Assessment (EA) has been prepared to examine the potential impacts of approving the temporary transfer of up to 4,700 AF of Project Water from BVWD to CCWD in Water Year 2020 (Proposed Action). For purposes of this EA, the action area includes portions of Trinity, Shasta, Tehama, Glenn, Colusa, and Yolo Counties. A map depicting pertinent locations of the Project, including the Trinity River Division (TRD) of the Project, the BVWD and CCWD service areas, and the Sacramento River and TCC, are shown in Figure 1-1.

Both BVWD and CCWD are Project contractors with service areas in the north Sacramento Valley. The BVWD is in Shasta County, due east of Redding and the Sacramento River, and has a contract with Reclamation for a water supply from the Sacramento River in the annual amount of 24,578 AF when no Drought Contingency Plan reductions are in place. CCWD is located in Colusa and Yolo Counties, approximately 100 miles south of BVWD and

approximately 4 miles west of the Sacramento River, and has a contract with Reclamation for a water supply from the Sacramento River in the annual amount of 67,866 AF when no Drought Contingency Plan) reductions are in place.

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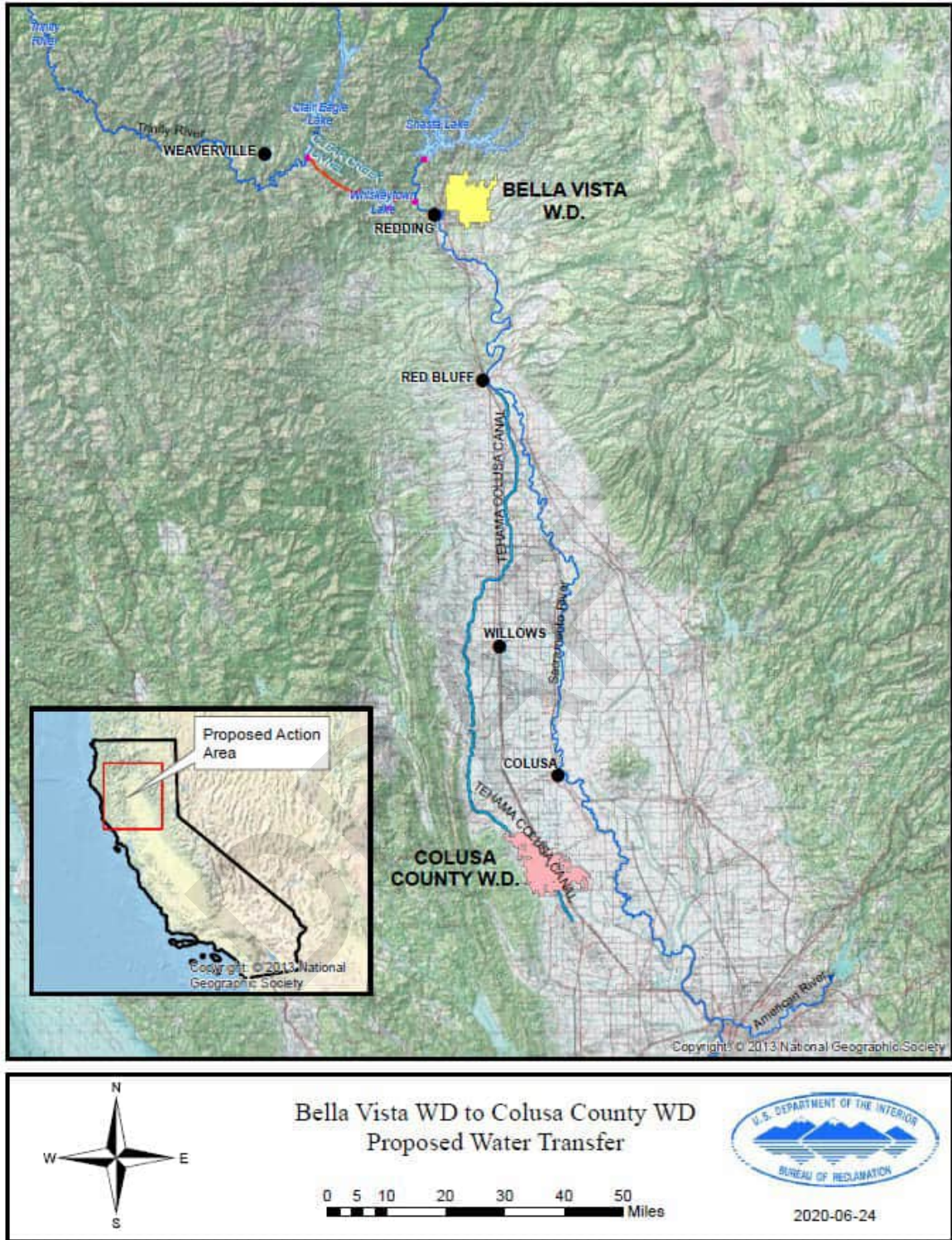


Figure 1-1. Proposed Action Area and Associated Central Valley Project Features

Reclamation analyzed the affected environment and determined that the Proposed Action did not have the potential to cause direct, indirect, or cumulative adverse effects to the resources listed in Table 1-1.

Table 1-1. Resources Eliminated from Detailed Analysis

Resource	Reason Eliminated
Environmental Justice	Neither the Proposed Action nor the No Action Alternative involve activities that would cause dislocation, changes in employment, or increase flood, drought, or disease, or disproportionately impact economically-disadvantaged or minority populations. Therefore, there would be no Environmental Justice-related effects.
Indian Sacred Sites	Neither the Proposed Action nor the No Action Alternative would limit access to ceremonial use of Indian Sacred Sites on Federal lands by Indian religious practitioners or adversely affect the physical integrity of such sacred sites. Therefore, there would be no impacts to Indian Sacred Sites.
Indian Trust Assets	The nearest ITA is the Redding Rancheria located approximately 5 miles southwest of the BVWD service area boundary and less than 1 mile west of the Sacramento River in this portion of the Proposed Action area. (See Appendix A). Neither the Proposed Action nor the No Action Alternative would impact this or other Indian Trust Assets (ITA).
Cultural Resources	Reclamation concluded that, although the Proposed Action is considered an undertaking pursuant to 36 CFR § 800.3(a)(1), it would have no significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places. (See Appendix B).
Air Quality and Climate Change	There would be no construction activities that would produce emissions that could result in an increase in production and accumulations of greenhouse gases and/or other air pollutants from the Proposed Action or No Action Alternative. In addition, the increased availability of surface water in the Proposed Action may reduce groundwater pumping activities, and therefore diesel emissions. However, the effect is anticipated to be minor because many of the District irrigators are now using solar and electric-powered motors on their well pumps that do not have emissions. In conclusion, the Proposed Action may have a minor benefit to air quality.
Land Use	Because the transfer water would be applied to existing agricultural land and conveyed through existing facilities, there would be no potential adverse effects on land use.
Recreation and Public Safety	The Proposed Action would only result in a small reduction (0.036 percent) to Trinity Lake's capacity over several months, and is anticipated to have no noticeable difference to lake water quality, elevation, or access compared to the No Action Alternative. As a result, the Proposed Action would have no resultant effects to recreation (boating, swimming, fishing, other day use). Likewise, the minor change in flow (0.26 percent) anticipated from the transfer would not affect recreational use (boating, kayaking, fishing, etc.) below Keswick Dam or elsewhere on the Sacramento River.
Other Resources	Because the transfer water would be applied to existing agricultural land and conveyed through existing facilities, unique features such as prime and unique farmlands, wetlands, wild and scenic rivers, refuges, floodplains and rivers placed on the nationwide river inventory would not be affected by the Proposed Action or No Action Alternative.

Section 2 Alternatives Including Proposed Action

No Action Alternative

The No Action Alternative would consist of Reclamation not approving the transfer of Project Water from BVWD to CCWD. The CCWD would be required to operate within the confines of its available surface water supply, groundwater, and/or acquire water from other willing sellers.

Absent Reclamation's approval of the Proposed Action, BVWD would likely not divert the water proposed for transfer because this irrigation water is currently unnecessary to satisfy its 2020 irrigation needs.

Proposed Action

The Proposed Action is approval of the transfer of up to 4,700 AF of Project Water from the BVWD to CCWD (Districts) during Water Year 2020. The Districts' current delivery schedules propose for the water to be diverted from July through September of 2020. This transfer water is a contractual entitlement under the water service contract between Reclamation and BVWD (Contract# 14-06-200-851A-LTR1). Accounting for allocation reductions for agricultural use in 2020, the quantity of water available to the BVWD for agriculture is 8,942 AF, of which 4,700 AF is considered for transfer. The CCWD is also a Project contractor in the same area of origin as BVWD, and therefore the transfer would be conducted in accordance with Section 3405(a)(1)(M) of the CVPIA.

Per BVWD's Contract 14-06-200-851A-LTR1, this Project Water would originate at Trinity Lake. After being released through Trinity Dam, the water would flow to the afterbay, Lewiston Reservoir, where it would be diverted through the Carr Tunnel/powerhouse into Whiskeytown Reservoir. Whiskeytown Reservoir has two outlets for this diverted water. Water flows to Whiskeytown Dam (and power plant) to be released to lower Clear Creek and eventually flow to the Sacramento River at River Mile (RM) 289+ and then diverted at the screened Red Bluff Pumping Plant (RBPP) at RM 243 into the TCC and then to the service area of CCWD. The other possible route for the Project Water is through the Spring Creek Tunnel/powerhouse to Keswick Reservoir, where the water mixes with Shasta Dam releases before release from Keswick Dam/powerhouse to the Sacramento River at RM 302. Water released from Keswick would flow for approximately 41 miles to the RBPP and diversion into the TCC.

As conditions of approval, the water subject to transfer would be for irrigation purposes for CCWD lands irrigated within the previous three years and not lead to land conversion. Also, no lands would be fallowed to make water available for the transfer. Additionally, this water would be conveyed through existing facilities with no new construction or modification to

facilities. CCWD plans to use the water for crop irrigation, primarily for nut orchards and vineyards.

Section 3 Affected Environment and Environmental Consequences

This section identifies the potentially affected environmental resources and the environmental consequences that could result from the Proposed Action and the No Action Alternative.

Water Resources

Affected Environment

Both BVWD and CCWD use Project Water and groundwater resources to satisfy the water needs of users in their respective districts. Although the water considered for transfer in the Proposed Action would originate from BVWD's Project Water allocation designated for agricultural use, this district supplies water to satisfy predominantly municipal and industrial (M&I) needs. CCWD has a considerably larger agriculture water need; approximately 40,000 acres within CCWD are planted, predominantly to row crops and orchards.

Surface water diverted from the Trinity Basin (via the Clear Creek Tunnel) to the Sacramento River Basin as Project Water supply serves multiple uses. In addition to providing water to satisfy agricultural and M&I needs, these uses include generation of hydroelectric power at Carr, Spring Creek, Whiskeytown Dam, and Keswick Dam power plants. The diversions also provide a cold-water resource for protection of Endangered Species Act (ESA)-listed fish species in Clear Creek via the outflow from Whiskeytown Dam, and the Sacramento River below Keswick Dam.

Reclamation's annual Project Water allocations to contractors take into account the cold water needs of ESA-listed fish species below Keswick Dam. This includes real-time and joint management of the available cold water storage of upstream reservoirs, including Trinity and Shasta, to maintain the appropriate water temperature to benefit these species. On June 8, the water year was designated a "non-critical year." Along with this designation, the temperature compliance location on the Sacramento River was established at Balls Ferry, approximately 25 miles below Keswick Dam.

Water temperature management on the Trinity River is also important for several fish species, including the ESA-listed coho salmon. In this case, the amount of storage in Trinity Reservoir, and operations in Lewiston Reservoir, are important in ensuring water temperatures are appropriate for these species. Based on the June forecast (50%) by Reclamation's Central Valley Operations (CVO) office, the end of September storage in Trinity Lake is projected to be greater than 1.3 million AF.

Environmental Consequences

No Action Alternative

In a No Action Alternative scenario in which no water transfer occurs, there would be no change in the projected storage in Trinity Lake, flow of the Sacramento River or power generation. If the use of groundwater constituted most or all of the solution to CCWD's water deficit in such a scenario, the result would be a contribution to negative effects on/the depletion of, the aquifer(s) from which the groundwater would be pumped (e.g. potential localized ground subsidence). However, such pumping would be conducted in accordance with the implementing procedure of California's Sustainable Groundwater Management Act which requires governments and water agencies of high and medium priority basins, like those which CCWD is located in, to "halt overdraft and bring groundwater basins into balanced levels of pumping and recharge" (<https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management>). Therefore, its effects are therefore anticipated to be minor and/or acceptable if the County determines the action to be consistent with its commitment to the program. The use of groundwater in lieu of surface water under the No Action Alternative could also result in damage to sensitive crops from poor water quality conditions of the groundwater, assuming it is available (wells and delivery lines have been installed) where it is needed.

The effects of Project Water transfers totaling up to 150,000 AF Project Water under the AWTP were analyzed prior to the 2016 AWTP approval (Reclamation 2016). Because CCWD is a participating member in the AWTP, a willing seller could be identified, and a transfer completed, under this program. In a No Action Alternative scenario in which CCWD identifies a willing seller (other than BVWD) and a transfer occurs, the result would be similar to that of the Proposed Action (as discussed in detail in the subsequent section). This includes a minor, and relatively insignificant, decrease in storage in Trinity Lake, but a minor and relatively insignificant increase in the flow to the Sacramento River, and an indiscernible decrease to the water temperature of the Sacramento River below Keswick Dam. As with the Proposed Action, the release of water through the TRD facilities and associated powerplants would result in a net benefit to hydroelectric power generation.

Proposed Action

A 4,700 AF release from Trinity Dam, and ultimately a release of this amount of water into the Sacramento River, would occur under the Proposed Action. The effects of the Proposed Action are anticipated to be similar to that of a No Action Alternative involving a transfer from another willing seller.

In comparison to a No Action Alternative scenario in which no willing sellers are identified and no transfer occurs, the release in the Proposed Action would result in a minor decrease in storage in Trinity Lake. However, the water contemplated for transfer has already been accounted for in Reclamation's June forecast that assumes full Project Water use by agricultural and M&I contractors. Thus, while the effect of this action would be about a 0.036 percent decrease in storage at Trinity Lake at the end of September, the effects to the quantity of stored water would be insignificant in terms of the potential for temperature control of the receiving rivers.

The release of Project Water from Trinity Lake in the Proposed Action would result in a minor increase in the flow of the Sacramento River, resulting in a corresponding minor and insignificant river temperature benefit above the point of diversion at the RBPP. To put the influence of the release into context, assuming the delivery of the 4,700 AF of transfer water occurs over a period of three months, as needed, the average increase of flow in this reach of river would increase by 26 cubic feet/second (cfs) from Keswick Dam. However, the influence to the river's overall flow is expected to be so small that it would be essentially immeasurable. Placing this volumetric increase in the context of what is typically released during this time from Keswick Dam (e.g. 10,000 + cfs), the transfer water would constitute less than a 0.26 percent increase in flow. This increase is considerably smaller than typical measurement error for stream gauges, which ranges up to 10 to 15 percent.

The water would be released and diverted in the irrigation season, as originally scheduled. Therefore, no unidentified impacts associated with Project Water delivery or timing, are anticipated as a result of this transfer. Because the transfer water would be released to the TRD facilities and through the powerplants, there would be a minor benefit of power generation and associated production costs from the Proposed Action.

There are no adverse effects related to contributions to aquifer depletion, associated land subsidence, or injury to sensitive crops (from poor chemical quality of applied water) from the Proposed Action to consider, unlike a No Action Alternative scenario in which groundwater use may be a part of the solution.

Biological Resources

Affected Environment

Several federally-listed species are known to inhabit the Project area, which includes portions of Trinity, Shasta, Tehama, Glenn, Colusa, and Yolo Counties (Table 3-1).

Environmental Consequences

No Action Alternative

As with the Proposed Action, there would be no effect to ESA-listed species or critical habitat from the No Action Alternative, assuming a solution is identified that fulfills the need and no lands that could serve as species habitat (e.g. rice fields that serve as GGS aquatic habitat) are fallowed as a result of the water deficit. If the purchase of water from another willing seller is part of the No Action Alternative scenario, the same conditions of approval would apply to any other Reclamation-facilitated transfer and the amount of water contemplated would be the same as the Proposed Action, resulting in similar negligible effects.

Proposed Action

Reclamation has determined that the Proposed Action would have no effect on ESA-listed species or designated critical habitat because conditions of approval maintain existing land

use practices. These conditions include: (1) transfer water would be for irrigation purposes for lands irrigated within the previous three years and not lead to land conversion; and (2) transfer water would be conveyed through existing facilities with no new construction or modification to facilities.

Fish species in the Sacramento River Basin (e.g. including ESA-listed runs of Chinook salmon) would not be affected by the Proposed Action because the quantity of water transferred over the period of time would be indiscernible in the Sacramento River and water diverted into the TCC would be screened at the RBPP prior to diversion so as to avoid impacts (entrainment and impingement) to fish species of concern.

Similarly, the coho salmon in the Trinity River would not be affected by this action because the end of September storage, which is projected to be greater than 1.3 Million AF, has been demonstrated, over the last few decades, to be adequately cold to meet downstream needs.

Table 3-1. Federally-listed Species in Trinity, Shasta, Tehama, Glenn, Colusa, and Yolo Counties. Sources: California Natural Diversity Database and U. S. Fish and Wildlife websites.

Species	Status ¹	Effects ²	Summary Basis for ESA Determination
MAMMALS			
Sierra Nevada red fox (<i>Vulpes vulpes necator</i>)	PE	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
gray wolf (<i>Canis lupus</i>)	E, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
North American wolverine (<i>Gulo gulo luscus</i>)	PT	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
AMPHIBIANS			
California red-legged frog (<i>Rana draytonii</i>)	T, X	NE	Species believed extirpated from Sacramento River Valley floor and vicinity of the Proposed Action. Additionally, no change to wetland or riparian habitat would result from the Proposed Action.
Sierra Nevada yellow-legged frog (<i>Rana sierra</i>)	E	NE	The Proposed Action is located outside the current range for this species*. Additionally, no change to wetland or riparian habitat would result from the Proposed Action.
Oregon spotted frog (<i>Rana pretiosa</i>)	T	NE	The Proposed Action is located outside the current range for this species. Additionally, no change to wetland or riparian habitat would result from the Proposed Action.
California tiger salamander, central CA distinct population segment (<i>Ambystoma californiense</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.

Species	Status ¹	Effects ²	Summary Basis for ESA Determination
BIRDS			
Northern spotted owl (<i>Strix occidentalis caurina</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
least Bell's vireo (<i>Vireo bellii pusillus</i>)	E	NE	The Proposed Action is located outside the current range for this species*. Additionally, no construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Western snowy plover (<i>Charadrius alexandrinus nivosus</i>)	T	NE	The Proposed Action is located outside the current range for this species*. Additionally, no construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Western yellow-billed cuckoo (<i>Coccyzus americanus occidentalis</i>)	T	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
FISH			
Central Valley steelhead (<i>Oncorhynchus mykiss</i>)	T, X	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
Chinook salmon - Central Valley spring-run (<i>Oncorhynchus tshawytscha</i>)	T, X	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
Chinook salmon -Sacramento River winter-run (<i>Oncorhynchus tshawytscha</i>)	E, X	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
Coho salmon –SONC (<i>Oncorhynchus kisutch</i>)	E, X	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
Delta smelt (<i>Hypomesus transpacificus</i>)	T,X	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
longfin smelt (<i>Spirinchus thaleichthys</i>)	C	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
eulachon (<i>Thaleichthys pacificus</i>)	T	NE	No effect to the quality, and no discernable effect to the flow, of any waterway or cold-water resource within the species' range would occur as a result of the Proposed Action.
bull trout (<i>Salvelinus confluentus</i>)	T, X	NE	The Proposed Action is located outside of the current range for this species. Additionally, no effect to the quality, and no discernable effect to the flow, of any water way or coldwater resource within the species' range would occur as a result of the Proposed Action.

Species	Status ¹	Effects ²	Summary Basis for ESA Determination
North American green sturgeon (<i>Acipenser medirostris</i>)	T	NE	No effect to the quality and no discernable effect to the flow of any water way or coldwater resource within the species' range would occur as a result of the Proposed Action.
INVERTEBRATES			
Conservancy fairy shrimp (<i>Branchinecta conservatio</i>)	E,X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Shasta crayfish (<i>Pacifastacus fortis</i>)	E	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Valley elderberry longhorn beetle (<i>Desmocerus californicus dimorphus</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
vernal pool fairy shrimp (<i>Branchinecta lynchi</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
vernal pool tadpole shrimp (<i>Lepidurus packardii</i>)	E, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
PLANTS			
Hoover's spurge (<i>Chamaesyce hooveri</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
palmate-bracted bird's-beak (<i>Chloropyron palmatum</i>)	E	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Colusa grass (<i>Neostapfia colusana</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
hairy Orcutt grass (<i>Orcuttia pilosa</i>)	E, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Greene's tuctoria (<i>Tuctoria greenei</i>)	E, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
McDonalds's rock cress (<i>Arabis macdonaldiana</i>)	E	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
Keck's checkerbloom (<i>Sidalcea keckii</i>)	E	NE	This species is known to occur in Colusa County. No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.

Species	Status ¹	Effects ²	Summary Basis for ESA Determination
water howellia (<i>Howellia aquatilis</i>)	T	NE	The Proposed Action is located outside of the current range for this species*. Additionally, no construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
slender Orcutt grass (<i>Orcuttia tenuis</i>)	T, X	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.
REPTILES			
giant garter snake (<i>Thamnophis gigas</i>)	T	NE	No construction activities or land development, land use changes or other conversion of habitat for this species would occur as a result of the Proposed Action.

1 Status = Status of ESA-listed species and critical habitat designation, if applicable

C: Candidate species for listing

P: Proposed for listing

E: Listed as Endangered

T: Listed as Threatened

X: Critical habitat designated

2 Effect = Effect on species and habitat, including Critical Habitat

NE = No Effect determination

*Due to how the query was entered (by county), this species appeared in the CNDDDB query although the action area was subsequently determined outside of the species' current range as established in the Service's Environmental Conservation Online System (ECOS).

Section 4 Cumulative Impacts

According to Counsel on Environmental Quality (CEQ) regulations for implementing the procedural provisions of NEPA, a cumulative impact is defined as the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over time.

No discernable impacts to resources are anticipated from either the Proposed Action or the No Action Alternative. Therefore, there are no additive or synergistic effects of such impacts to consider in combination with other actions which might result in a cumulative impact.

Section 5 Consultation and Coordination

Public Review Period

Reclamation intends to sign a Finding of No Significant Impact (FONSI) for this project and made this EA available for a 7-day public review period from July 7 through July 14, 2020. No comments were received.

Persons and Agencies Consulted

Reclamation determined that the Proposed Action would have no effect on any species listed, or proposed for Federal listing as Threatened or Endangered or their proposed or designated Critical Habitat. Therefore, no consultation was required under Section 7 of the ESA. Likewise, Reclamation determined that the Proposed Action constitutes a Federal undertaking, as defined at 36 CFR § 800.16(y), that has no potential to cause effects on historic properties pursuant to 36 CFR § 800.3(a)(1). Therefore, no consultation was required under Section 106 of the NHPA.

No determinations of potential effects to other resources from the Proposed Action or No Action Alternative that would require consultation with another agency were made as a result of the EA analysis.

Reclamation consulted CCWD's Manager to develop the scenario for the No Action Alternative.

Appendix A: Indian Trust Asset Review

ITA Review - Project Water Transfer - BVWD to CCWD - Water Year 2020

Simon, Megan K <msimon@usbr.gov>

Tue 6/30/2020 2:21 PM

To: Zedonis, Paul A <pzedonis@usbr.gov>

1 attachments (934 KB)

ITA Capture.PNG;

I have examined the referenced proposal and have determined that the facilities are located about one mile from the closest Indian Trust Asset.

I have determined that there is no likelihood that this action will adversely impact Indian Trust Assets.

Megan Simon

Natural Resources Specialist

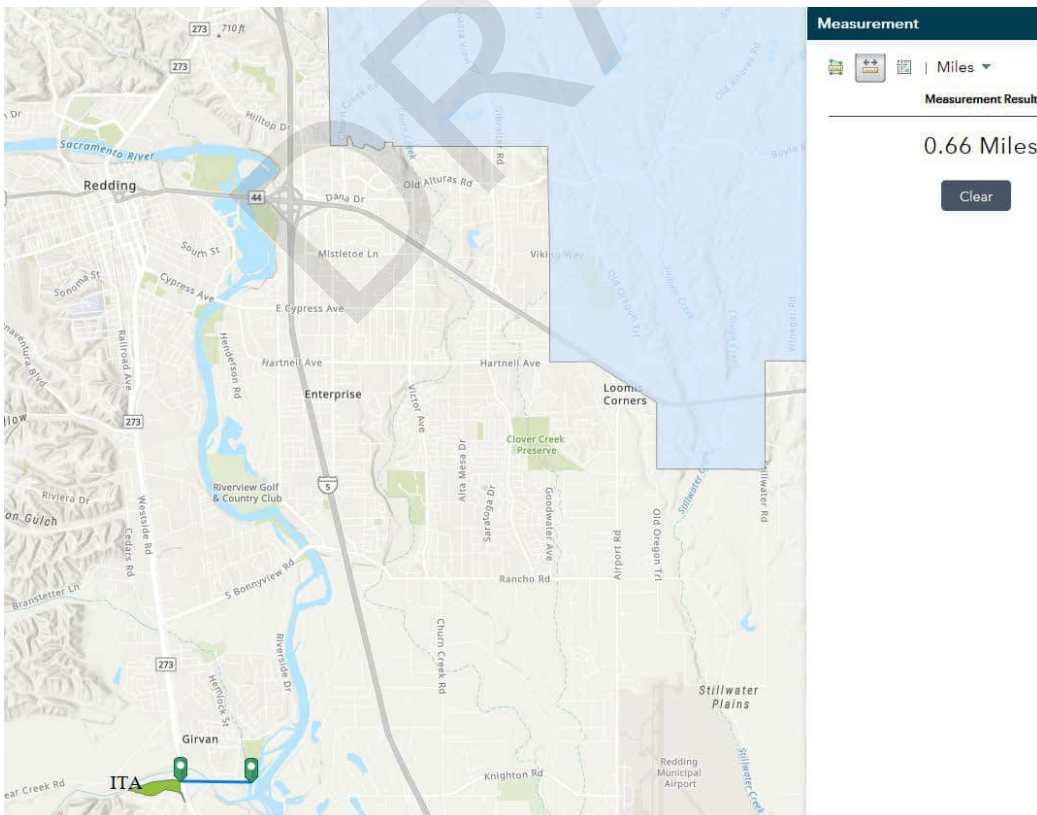
U.S. Bureau of Reclamation

Interior Region 10 - California Great Basin

Northern California Area Office

(530) 247-8513

msimon@usbr.gov



Appendix B: Cultural Resources Review

CULTURAL RESOURCES COMPLIANCE Division of Environmental Affairs Cultural Resources Branch (CGB-153)

CGB-153 Tracking Number: 20-NCAO-183

Project Name: Project Water Transfer - Bella Vista Water District to Colusa County Water District – Water Year 2020 (March 1, 2020 – February 28, 2021)

NEPA Document: CGB-EA-2020-029

NEPA Contact: Megan Simon, Natural Resources Specialist

CGB 153 Cultural Resources Reviewer: Melissa Ivie, Regional Cultural Resources Officer *MIA*

Date: June 25, 2020

Reclamation proposes to approve the transfer of up to 4,700 acre feet of Central Valley Project (Project) water from Bella Vista Water District to Colusa County Water District (CCWD) during Water Year 2020 (March 1, 2020 to February 28, 2021). No modification or construction is needed for conveyance or introduction of this water and there will be no change in land use. Reclamation determined the proposed action constitutes a Federal undertaking, as defined at 36 CFR § 800.16(y), that has no potential to cause effects on historic properties pursuant to 36 CFR § 800.3(a)(1). As such, Reclamation has no further obligations under Title 54 U.S.C. 306108, commonly known as Section 106 of the National Historic Preservation Act (NHPA).

The Project water to be transferred would originate at Trinity Lake, be diverted through Carr Tunnel into Whiskeytown Reservoir, through Spring Creek and Keswick Powerplants into the Sacramento River until being diverted at the screened Red Bluff Pump Station into the Tehama-Colusa Canal (TCC). Once in the TCC, the water would be conveyed through existing CCWD turnouts and distribution systems for delivery to, and use by, CCWD water users within their respective boundaries. I have reviewed the draft project description from CGB-EA-2020-029 and the proposed action will not have significant impacts on properties listed or eligible for listing in the in the National Register of Historic Places.

This document conveys the completion of the NHPA Section 106 process and cultural resources review for this undertaking. Please retain a copy in the administrative record for this action. Should the proposed action change, additional NHPA Section 106 review, possibly including consultation with the California State Historic Preservation Officer, may be necessary.

**GROUNDWATER TRANSFER AND FACILITIES COST-SHARING AGREEMENT
BETWEEN THE CITY OF REDDING AND
BELLA VISTA WATER DISTRICT**

THIS AGREEMENT is made at Redding, California, by and between the CITY OF REDDING, a Municipal Corporation ("CITY"), whose address is 777 Cypress Avenue, Redding, CA, 96001 and BELLA VISTA WATER DISTRICT, ("DISTRICT"), a California Water District, whose address is 11368 East Stillwater Way, Redding, CA 96003, for a Groundwater Transfer and Facilities Cost-Sharing Agreement ("Agreement").

PURPOSE: To augment the DISTRICT's water supply in order to mitigate water supply impacts associated with new developments occurring within the CITY and served by the DISTRICT and to remove water service as a barrier for orderly development within the CITY and the DISTRICT overlap areas.

BACKGROUND: The DISTRICT was created as the Cow Creek Unit of the Trinity Division of the Central Valley Project (CVP) and is highly reliant upon water supply from the CVP to meet the water needs of its customers within DISTRICT's boundary. New growth and development within both the CITY and DISTRICT service area results in newly created demands for water. As a CVP Water Service Contractor, the DISTRICT is subject to frequent water supply shortages and has implemented policies requiring new development to secure their own shortage water supply, ultimately presenting a challenge for development in the overlap area. While much of the DISTRICT's lands overlay the Enterprise Subbasin of the Redding Area Groundwater Basin, the quality and quantity of water available via groundwater wells in the DISTRICT is limited. The CITY, being located South of the District and situated over a "healthier" portion of the Enterprise Subbasin, has sufficient groundwater resources to augment the DISTRICT supply for growth within the CITY.

RECITALS

- A. The DISTRICT's Will Serve Policy requires certain residential and commercial development to augment DISTRICT water supply as a condition of approval.
- B. To meet this requirement, an alternative supply of water must be secured by the development entity.
- C. Water supply rights are very limited, complex and can be excessively expensive.
- D. The CITY has developed groundwater wells to provide for current and future CITY demands. A limited amount of groundwater supply is available to augment new development within the CITY and served by the DISTRICT. The CITY is also currently constructing the Enterprise Well 12 (EW12) Wellhead Treatment Plant Project, which is estimated to produce an average yield of approximately 2,500 gallons per minute (gpm) upon completion.
- E. EW12 and the CITY's other developed groundwater wells can be utilized by the CITY to provide water supplies to the DISTRICT.
- F. The CITY maintains a distribution system that includes an intertie with the DISTRICT that allows the transfer of groundwater between CITY and DISTRICT infrastructure.

C-11047

G. It is in the best interests of the CITY to encourage new development that provides a benefit to and meets the needs of the community.

H. The parties hereto have determined that it would be in each of their best interests to partner and cost-share on the design and construction of the EW12 Wellhead Treatment Plant Project in order for the DISTRICT to purchase and receive groundwater from the CITY, and receive metered delivery through the existing Canby Road intertie. This Agreement will allow the DISTRICT to receive groundwater from the CITY to offset impacts to the DISTRICT's existing customers.

I. The parties hereto further determine that it would be in their mutual best interests to set forth their respective rights, duties, costs and obligations concerning the DISTRICT's groundwater purchases from the CITY in a written agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Definitions: For purposes of this Agreement the following definitions apply:
New Development: Any development in which entitlements are granted by the CITY after the effective date of this Agreement or any development that received entitlements prior to this agreement but has not yet made a request for connection to the District System.
Overlap Area: Any parcel within the existing CITY limits and the DISTRICT's water service area as of the date of execution of this agreement (Exhibit A).
2. Development: Pursuant to State and local law, the CITY requires review and approval by the DISTRICT of all improvement plans for New Development within the Overlap Area and requires a Will Serve letter be obtained from the DISTRICT before issuing a building permit. The DISTRICT shall issue Will Serve letters for new development within CITY limits and served by the DISTRICT pursuant to this Agreement until the Quantity as defined herein is fully subscribed. Will Serve letters will reference that the development is contingent upon the provisions in this Agreement. Only development located within the CITY limits are eligible for water supply from this groundwater transfer Agreement.
3. Notice: Prior to delivery of any groundwater pursuant to this Agreement, the DISTRICT shall notify the CITY that groundwater delivery is desired; the projected duration and delivery rate of water and the anticipated quantity of water to be delivered. Upon receipt of the request, the CITY's Director of Public Works or designee, shall decide as to whether such delivery can be accommodated as requested or revised to better accommodate the CITY's system constraints and shall inform the DISTRICT within 2 business days of its decision. The DISTRICT will confirm with the CITY, in writing, the specific conditions concerning the water delivery schedule at least 24-hours in advance.

4. Quantity: The groundwater supply made available by the CITY to the DISTRICT under the Agreement is a maximum of 1,000 Acre-Feet per year with a maximum transfer rate of 1,500 gallons per minute. The CITY's transfer and delivery of water to the DISTRICT will be decreased or stopped if the CITY determines, in its sole discretion, that such transfer and delivery is adversely impacting the CITY's water delivery operations. The transfer and delivery of water under this Agreement will recommence if the CITY determines that any such adverse impacts have ended.
5. Fully Subscribed: DISTRICT shall be fully subscribed at which point in time the entire 1,000 Acre-Feet CITY reservation has been paid to the CITY by the DISTRICT.
6. Intertie Point: Existing Intertie points between the parties to this Agreement already exist at 700 Canby Road, 1431 Edgewood Drive, and at the intersection of Old Alturas Road and Abernathy Lane as shown on Exhibit B. The intertie location utilized for this Agreement will be at the Canby Road location due to the pressure differential and existing pressure reducing valve unless system conditions require the use of an alternative intertie. This Agreement in no way modifies, alters or otherwise has any bearing on the Intertie Agreement between the CITY and the DISTRICT.
7. Costs and Cost-Sharing:
 - A. The CITY'S charge to the DISTRICT for buying into City groundwater is valued at \$2,375,000 (based on 25% of City's costs for the EW12 Wellhead Treatment Plant Project plus the pre-project estimated value of EW12) and does not increase over time. The City will reserve 1,000 acre-feet annually of groundwater capacity for the DISTRICT. This agreement is only for groundwater (i.e., no CVP surface water resources.)
 - B. The DISTRICT may pay to the CITY incrementally (i.e., as development occurs or otherwise) to buy into the CITY's groundwater infrastructure and distribution system. The pro-rated charge to the DISTRICT is \$2,375 per acre-foot if purchased incrementally.
 - C. The DISTRICT shall pay the CITY each month for the water transferred and delivered to the DISTRICT under this Agreement at the then current applicable unit cost to deliver said water (operation & maintenance rate including power, chemicals, labor, etc.). The starting rate in 2025 will be \$500 per Acre-foot (\$1.15/CCF). This commodity rate will adjust annually and will be directly tied to the CITY's utility rate increases as adopted by City Council. The CITY shall send monthly invoices to the DISTRICT for such costs, which shall be paid by the DISTRICT within 30 days of the invoice date.
8. Reporting: The DISTRICT shall provide to the CITY:
 - A. Monthly reporting of groundwater transfer rate and quantities.

B. Annual reporting of groundwater usage and information regarding the number of will-serve letters requested, approved, and issued in the CITY limits.

9. Transfers: This water is intended to help the DISTRICT serve new and existing customers within CITY limits. DISTRICT shall not transfer or sell this water outside of the CITY's jurisdictional boundaries.
10. Term: The term of this Agreement shall be aligned with the projected useful lifespan of EW12, estimated to be thirty (30) years.
11. Extensions: Upon or prior to expiration of this Agreement, not more than two (2) extensions of this Agreement may be executed upon mutual agreement of CITY and DISTRICT for no more than ten (10) years in total.
12. Successor Agreement: CITY and DISTRICT recognize that they will each need replacement water supply after EW12 has reached the end of its useful lifespan. City and District contemplate that they will likely enter into a successor agreement providing for ongoing sharing of resources through the rehabilitation or replacement of EW12, or through some alternative replacement water source. The specifics, however, will depend on the operational needs of each agency at that time, the ability to equitably and accurately allocate costs between each agency's rate-payers, and other factors that cannot be known at this time.

The City and District agree to meet, confer, and negotiate a potential successor agreement in good faith. Said successor agreement may be executed before or after the expiration of the term specified in Sections 11 and 12, but the parties recognize and agree that discussions and negotiations will need to begin with sufficient time to allow responsible planning, exploration of multiple potential options, and appropriate rate-smoothing to cover anticipated capital costs.

13. Termination: This Agreement shall commence on the date of signing hereto and shall continue until the expiration of the term set forth in Sections 11 and 12, or such time that the delivery of water contemplated herein would not be in the mutually agreeable best interests of both the City and the District, whichever comes first. Upon termination of this agreement, any unpaid financial obligations owing to either party shall survive termination of this Agreement and be payable in accordance with their terms.
14. Disputes and Attorneys' Fees: If any action or arbitration is commenced to enforce any of the terms or conditions herein, or to enforce collection of monies due pursuant to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

15. Date of Agreement: The date of this agreement shall be the date it is signed by the second party to sign.

16. Authority to Contract: Each of the undersigned signatories hereby represents and warrants that they are authorized to execute this Contract on behalf of the respective parties to this Contract; that they have full right, power and lawful authority to undertake all obligations as provided in this Contract; and that the execution, performance and delivery of this Contract by said signatories has been fully authorized by all requisite actions on the part of the respective parties to this Contract.

17. Entire Contract: This document, including all exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding each may have had prior to the execution of this Contract. This Contract shall not be altered, amended or modified except by a writing signed by City and Contractor. No verbal agreement or conversation with any official, officer, agent or employee of City, either before, during or after the execution of this Contract, shall affect or modify any of the terms or conditions contained in this Contract, nor shall any such verbal agreement or conversation entitle Contractor to any additional payment whatsoever under the terms of this Contract.

18. Severability: If any portion of this Contract or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Contract shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

19. Notices: All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender (may be other than the representatives referred to in Section 10) and delivered by facsimile, with a hard copy mailed first class, postage prepaid; or when sent by a courier or an express service guaranteeing overnight delivery to the receiving party, addressed to the respective parties as follows:

<p>To City: City of Redding, Water Utility Attn: Josh Watkins Water Utility Manager 777 Cypress Avenue Redding, CA 96001</p>	<p>To District: Bella Vista Water District Attn: General Manager 11368 East Stillwater Way Redding, CA 96003</p>
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Either party may change its address for the purposes of this paragraph by giving written notice of such change to the other party in the manner provided in this Section.

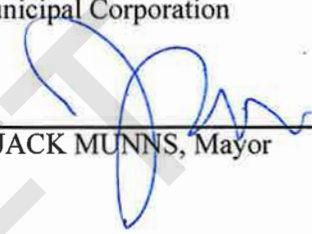
Notice shall be deemed effective upon: 1) personal service; 2) two calendar days after mailing or transmission by facsimile, whichever is earlier.

20. Choice of Law/Venue: This Contract shall be deemed to have been entered into in Redding, California. All questions regarding the validity, interpretation or performance of any of its terms or of any rights or obligations of the parties to this Contract shall be governed by California law. Any dispute over this agreement shall be subject to the exclusive jurisdiction of the Shasta County Superior Court.

IN WITNESS WHEREOF, the City of Redding and the Bella Vista Water District have executed this Agreement on the days and year set forth below:

CITY OF REDDING
A Municipal Corporation

Date: 10/13 2025

By: 

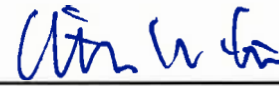
JACK MUNNS, Mayor

Attest:

Approved as to form:



SHARLENE TIPTON, City Clerk

By: 

CHRISTIAN M. CURTIS,
City Attorney

BELLA VISTA WATER DISTRICT
A California Community Water District

Date: Oct 1, 2025

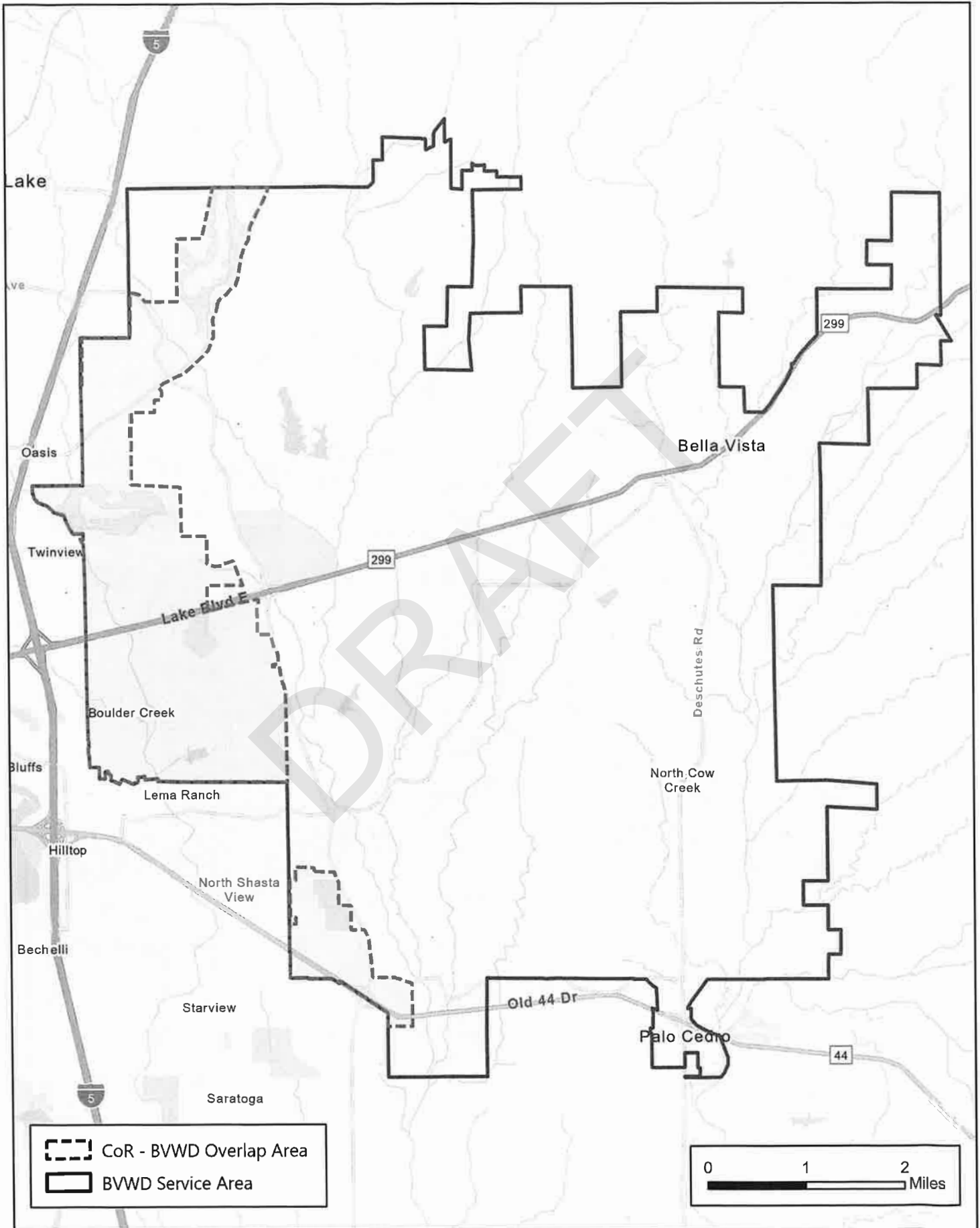
By: 

Robert Nash
President, Board of Directors]

Attest:

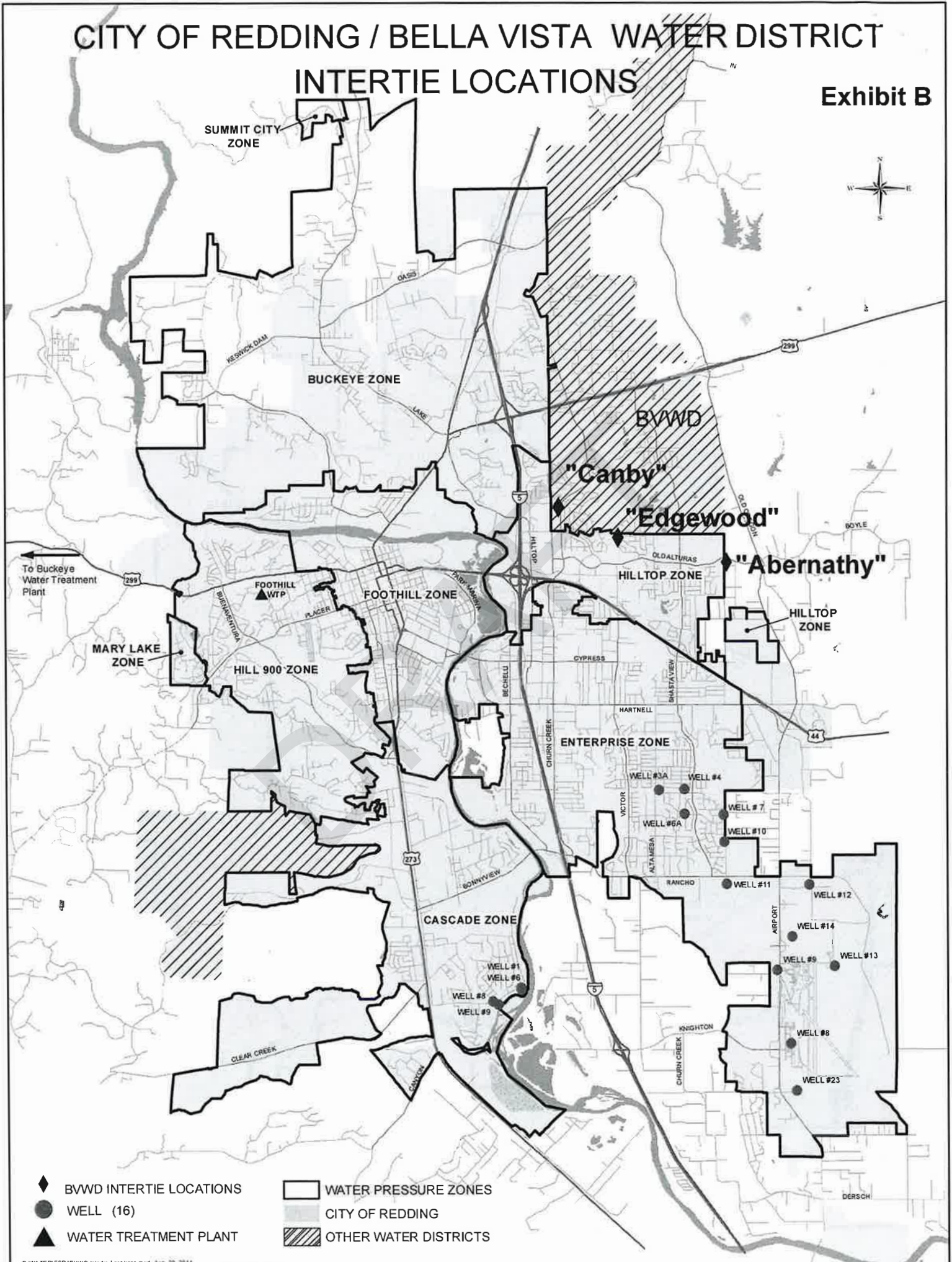


DAVID J. COXEY, General Manager
and Secretary to the Board of Directors



CITY OF REDDING / BELLA VISTA WATER DISTRICT INTERTIE LOCATIONS

Exhibit B



- ◆ BWVD INTERTIE LOCATIONS
- WELL (16)
- ▲ WATER TREATMENT PLANT
- WATER PRESSURE ZONES
- CITY OF REDDING
- ▨ OTHER WATER DISTRICTS

DRAFT

Appendix H Consumer Confidence Report 2025

BELLA VISTA WATER DISTRICT

2025 CONSUMER CONFIDENCE REPORT

The District is pleased to present the 2025 Consumer Confidence Report. Our unvarying goal is to provide a safe and dependable supply of drinking water to all of our customers. Last year, as in years past, your tap water met all U.S. EPA and State drinking water health standards.

This report contains important information about your drinking water. *(Este informe contiene información muy importante sobre su agua para beber. Favor de comunicarse Bella Vista Water District at 11368 East Stillwater Way Redding, California. 530-241-1085 para asistirlo en español.)*

WHERE OUR WATER COMES FROM

In 2025 our water sources included surface water diversions from the Sacramento River and small amount of groundwater from our five wells. The District has a Water Service Contract converted to a Repayment Contract with the United States Bureau of Reclamation to receive water from the Central Valley Project (CVP). Good CVP reservoir carryover storage from 2024 and hydrologic conditions in the winter and spring resulted in a full water supply allocation for north of Delta CVP Contractors. The initial CVP supply allocation announced on February 25, 2025, was for 100% for both municipal and industrial (M&I) and Irrigation (Agricultural) customers.

In 2025, surface water from the Sacramento River made up 95.6% of the treated water supply of approximately 2.7 billion gallons (8,286 acre-feet) compared with 98.8% of the treated water supply of approximately 2.9 billion gallons (8,875 acre-feet) in 2024. The maximum daily flow through the Water Treatment Plant in 2025 was 16.3 million gallons (50 acre-feet) on August 11. In 2025 the District captured and recycled approximately 179.22 million gallons (550 acre-feet) of filter backwash water, supplying approximately 6.6% of the treated water supply. This recycled water reduces the amount of water that the District diverts from the Sacramento River or pumps from groundwater wells and provides a much-needed reliable source of water during shortages.

The District's wells draw from the Redding Groundwater Basin, Enterprise Subbasin. Collectively, the wells made up 4.4% of the total supply, or approximately 125 million gallons (383 acre-feet) in 2025 compared with 1.2% of the total supply, or approximately 33 million gallons (102 acre-feet) in 2024. The treatment process at each of the five wells consists of oxidation of iron and manganese using chlorine, followed by adsorption of the iron and manganese oxides in pressure filters. Chlorine residual is carried through the entire process to aid in maintaining a chlorine residual in the distribution system. No iron or manganese was detected in any of the treated well water samples collected in 2025. Well water is warmer than the treated surface water and has a different taste due to its higher mineral content. At times, the mixing of chlorinated well water with treated river water in the distribution system generates a more noticeable taste due to the different physical and chemical properties of the different waters. To ensure the safety of the water the same microbiological testing is completed weekly at various sites throughout the water distribution system, regardless of the water source.

The District did not receive any water through its interties during 2025.

The District participated in an updated Redding Area Watershed Sanitary Survey that was submitted to the Division of Drinking Water in January 2026. Chapter 17, Surface Water Treatment, Article 7, Section 64665 of Title 22 of the California Code of Regulations requires water utilities using surface water to conduct a watershed sanitary survey every five years. Under Section 64665, a watershed sanitary survey should include:

- A physical and hydrogeological description of the watershed.
- A summary of source water quality monitoring data.
- A description of activities and sources of contamination.
- A description of any significant changes that have occurred since the last survey.
- A description of watershed control and management practices.
- An evaluation of each participating water agency's ability to meet the requirements and recommendations for corrective actions.

The survey includes four watershed groups, including: (1) Shasta Watershed from Goose Lake in Oregon to Shasta Dam, (2) Trinity Watershed, including Trinity Lake and Lewiston Lake, (3) Whiskeytown Watershed, including Clear Creek and Whiskeytown National Recreation Area, and (4) Sacramento River Watershed from Shasta Dam to the raw water intakes for the City of Redding and Bella Vista Water District. Electronic copies of the Sanitary Survey are available from the District upon request.

Source water assessments were performed by the State Water Resources Control Board (State Board), Division of Drinking Water between January 2002 and April 2003. The District's Sacramento River source is considered most vulnerable to the following activities associated with contaminants detected in the water supply: (1) metal plating/finishing/ fabricating, (2) wood/pulp/paper processing and mills, and (3) drinking water treatment plants. The source is considered most vulnerable to the following activities not associated with any detected contaminants: (1) concentrated aquatic animal production facilities, (2) historic waste dumps/landfills, (3) landfills/dumps, (4) historic mining operations, and (5) wastewater treatment plants and disposal facilities (above Shasta Dam). The District's well sources are considered most vulnerable to the following activities not associated with any detected contaminants: (1) lumber processing and manufacturing; (2) septic systems - low density; (3) sewer collection systems; (4) historic waste dumps/landfills; (5) automobile - gas stations; and (6) utility stations - maintenance areas.

You may request an electronic copy of the assessment by contacting our office at info@bvwd.org or (530) 241-1085, ext. 105.

In 1989 the Federal Surface Water Treatment Rule set forth specific regulations requiring proper treatment of surface waters, as well as specific license requirements for water treatment operators. Although the regulations have changed dramatically, the overall process has not. Currently, the District's staff includes 9 individuals with state certification as water treatment operators and 14 with certification as water distribution operators (including 9 individuals with certification as both) who contribute to the operation and maintenance of the District's facilities 365 days per year.

CONTAMINANTS IN WATER

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals, and in some cases radioactive material and can pick up substances resulting from the presence of animals or human activity. Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

- Pesticides and herbicides may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural applications, and septic systems.
- Radioactive contaminants can be naturally occurring or be the result of oil and gas production and mining activities.

STATE AND FEDERAL REGULATIONS

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (U.S.EPA) and the State Water Resources Control Board (State Water Board) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The U.S. Food and Drug Administration regulations and State Water Board regulations also establish limits for contaminants in bottled water that provide the same protection for public health. Additional information on bottled water is available on the California Department of Public Health website: (<https://www.cdph.ca.gov/programs/CEH/DFDCS/Pages/FDBPrograms/FoodSafetyProgram/Water.aspx>).

The tables in this report list all of the drinking water contaminants that were detected during the most recent sampling for the constituent. The State Board allows us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of our water quality, are more than one year old.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S.EPA's Safe Drinking Water Hotline at 1-800-426-4791.

A NOTE TO THE IMMUNO-COMPROMISED FROM THE UNITED STATES EPA

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Center for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

LEAD IN DRINKING WATER

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Bella Vista Water District is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you do so, you may

wish to collect the flushed water and reuse it for another beneficial purpose, such as watering plants. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/lead>.

ARSENIC IN THE DISTRICT'S WATER

Analysis of the District's surface and well waters has shown that it contains low levels of arsenic (less than 10 parts per billion). The arsenic standard balances the current understanding of arsenic's possible health effects against the costs of removing arsenic from drinking water. The U.S. Environmental Protection Agency continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

ABOUT THE WATER QUALITY TABLES

Bella Vista Water District routinely monitors for multiple constituents in your drinking water according to federal and state laws. Not all constituents are reported if the results are not detected. The tables in this report show the results of our monitoring for the period through December 31, 2025. Where contaminants are monitored less than once per year, the values included in the report tables represent the results of the most recent analyses. In this table you will find many terms and abbreviations you might not be familiar with. To help you better understand these terms, the following definitions are provided:

Non-Detects (ND) - laboratory analysis indicates that the constituent is not detectable at current testing limits.

Parts per million (ppm) or Milligrams per liter (mg/L) - one part per million corresponds to one minute in 1.9 years or a single penny in \$10,000.

Parts per billion (ppb) or Micrograms per liter ($\mu\text{g/L}$) - one part per billion corresponds to one minute in 1,900 years, or a single penny in \$10,000,000.

Picocuries per liter (pCi/L) - picocuries per liter is a measure of the radioactivity in water.

Microsiemens per centimeter ($\mu\text{S/cm}$) is a unit for reporting the specific electrical conductance of the water.

Nephelometric Turbidity Unit (NTU) - nephelometric turbidity unit is a measure of the clarity of water. Turbidity (measured in NTU) is a measurement of the cloudiness of water and is a good indicator of water quality and filtration performance. Turbidity results which meet performance standards are considered to be in compliance with filtration requirements. Turbidity in excess of 5 NTU is just noticeable to the average person.

Maximum Contaminant Level (MCL) – The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG) - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

Maximum Residual Disinfectant Level (MRDL) - The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG) - The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Public Health Goal (PHG) B The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Primary Drinking Water Standards (PDWS) - MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Regulatory Action Level (AL) - the concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Treatment Technique (TT) - A required process intended to reduce the level of a contaminant in drinking water.

2025 RESULTS OF WATER QUALITY ANALYSES

This Consumer Confidence Report (CCR) reflects changes in drinking water regulatory requirements during 2021. These revisions add the requirements of the federal Revised Total Coliform Rule, effective since April 1, 2016, to the existing state Total Coliform Rule. The revised rule maintains the purpose to protect public health by ensuring the integrity of the drinking water distribution system and monitoring for the presence of microbials (i.e., total coliform and E. coli bacteria). The U.S. EPA anticipates greater public health protection as the rule requires water systems that are vulnerable to microbial contamination to identify and fix problems. Water systems that exceed a specified frequency of total coliform occurrences are required to conduct an assessment to determine if any sanitary defects exist. If found, these must be corrected by the water system. Note: BVWD analyzes a minimum of 5 water samples per week throughout the year in the water distribution system for coliform bacteria. A total of 260 routine coliform bacteria monitoring samples were taken during calendar year 2025. Of those samples, no coliform bacteria and/or E. coli were detected.

2025 RESULTS OF WATER QUALITY ANALYSES (continued)

Sampling Results Showing Treatment of Surface Water Source (Sacramento River)					
Contaminant	Performance Standard / MCL (Treatment Technique)	Unit of Measurement	Level Found	Range	Violations
4. Turbidity	(1) Shall at no time exceed 1 NTU	Based on measurements made at 4-hour intervals while the plant is in operation	Less than 1.0 NTU at all times	0.016 NTU to 0.085 NTU	None
	(2) Less than 0.1 NTU in 95% of the measurements taken each month	Lowest Monthly % of measurements meeting the standard	100	100 – 100	None
	(3) Reduction in turbidity of 80% or more	Average monthly percentage reduction in turbidity	99.3	98.9 -99.8	None
<i>Note: Turbidity is a measure of the cloudiness of the water. We monitor it because it is a good indicator of the effectiveness of our filtration system.</i>					

Sampling Results Showing the Detection of Contaminants with a Primary Drinking Water Standard							
Contaminant	MCL	PHG (MCLG)	Unit of Measurement	Sacramento River*		Well Water**	
				Average Value	Range	Average Value	Range
5. Gross Alpha	15	(0)	pCi/L	2.9	-	ND	ND
6. Radium 228	5	(0)	pCi/L	1.82	-	0.95	0.2 – 1.6
8. Arsenic	10	0.004	ppb	ND	-	3.01	2 – 4
9. Barium	1000	2	ppb	13.2	-	151	ND - 317
11. Fluoride	2.0	1	ppm	<0.1	-	0.13	ND-0.16
Sacramento River and Well Water							
				2025 Highest Locational Running Annual Average		Range for Samples taken in 2025	
12. TTHM [Total trihalomethanes]***	80	N/A	ppb	37.3		0.0-51	
13. HAA5- [5 Haloacetic acids]***	60	N/A	ppb	50.5		0.0-53	
<i>Note: TTHM and HAA5 results are from samples collected from the Distribution System which may include water from both the river and wells.</i>							

* All results from the surface water source (which represents 98.8% of the water produced by the District in 2025) are from samples collected in 2025, except for Gross Alpha which is from 2019, and Radium 228 is from 2015.

**Well water results reflect the latest results taken from each well; the results include samples collected over the period 2016 through 2025. The dates of the latest samples may be obtained by contacting the District’s office.

*** The “Running Annual Average” includes samples collected in 2023 and 2025, while the Range includes the results of analysis of samples collected in 2025 only. While the HAA5 highest running annual average did exceed the mcl, the District completed an evaluation to identify potential actions that could reduce chlorine by-product formation and has implemented changes in its operations to lower both TTHM and HAA5 formation

2025 RESULTS OF WATER QUALITY ANALYSES (continued)

Sampling Results Showing the Detection of Contaminants with a Secondary Drinking Water Standard							
(Aesthetic standards, established by the State Board - Division of Drinking Water)							
Contaminant or Analyte	MCL	PHG (MCLG)	Unit of Measure- ment	Sacramento River*		Well Water**	
				Average Level Detected	Range	Average Level Detected	Range
16. Total dissolved solids	1,000	N/A	mg/L	75	-	197	149 - 243
17. Specific conductance	1,600	N/A	µS/cm	116	-	314	257-394
18. Chloride	500	N/A	mg/L	3.36	-	31.5	11 - 70
19. Sulfate	500	N/A	mg/L	3.25	-	2.34	0.52 – 4.9

Sampling Results for Unregulated Contaminants***							
(Unregulated contaminant monitoring helps the USEPA and the State Board to determine where certain contaminants occur and whether the contaminants need to be regulated.)							
Contaminant or Analyte	MCL	PHG (MCLG)	Unit of Measure- ment	Sacramento River*		Well Water**	
				Average Level Detected	Range	Average Level Detected	Range
20. Vanadium	Notification Level = 50 ppb	N/A	ppb	4.72		0.4	ND – 0.74

Sampling Results for Sodium, Hardness and pH							
Contaminant or Analyte	MCL	PHG (MCLG)	Unit of Measurement	Sacramento River*		Well Water**	
				Average Level Detected	Range	Average Level Detected	Range
21. Sodium	N/A	N/A	ppm	5.6	-	55	25 - 66
22. Hardness	N/A	N/A	ppm	43	-	71	45 - 87
23. pH	6.5 - 8.5	N/A	pH units	7.42	-	7.89	7.8 – 8.1

* All results from the surface water source (which represents 98.8% of the water produced by the District in 2025) are from samples collected in 2025.

**Well water results reflect the latest results taken from each well; the results include samples collected over the period 2016 through 2025. The dates of the latest samples may be obtained by contacting the District's office.

***In 2013 and 2014 the District sampled for a number of additional unregulated contaminants in the water. The results of these samples were either non-detectable or below notification levels. Additional information regarding unregulated contaminants is available by contacting the District's office.

2025 RESULTS OF WATER QUALITY ANALYSES (continued)

Sampling Results Showing the Detection of Lead and Copper
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Contaminant	PHG (MCLG)	Action Level (AL)	90 th percentile level detected	No. of samples collected	No. of Sites exceeding Action Level	Typical Source of Contaminant
Lead (ppb)	0.2	15	1.83	30	0	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ppm)	0.3	1.3	.252	30	0	Internal corrosion of household water plumbing systems; erosion of natural deposits; leaching from wood preservatives

Note: The District is required to conduct lead and copper sampling every three years. These results are from the most recent round of sampling from July 2025.

Disinfectant Residuals found in the Distribution System during 202						
Contaminant	MCL [MRDL]	PHG (MRDLG)	Average Value	Range	Major Sources in Drinking Water	Health Effects
Chlorine (ppm)	4.0 (as Cl ₂)	4	0.73	0.20 to 1.52	Drinking water disinfectant added for treatment	Some people who use water containing chlorine well in excess of the MRDL could experience irritating effects to their eyes and nose. Some people who drink water containing chlorine well in excess of the MRDL could experience stomach discomfort.

MRDL = Maximum Residual Disinfectant Level (The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for the control of microbial contaminants.)

MRDLG = The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

TYPICAL SOURCES OF DETECTED CONTAMINANTS

Contaminant	Typical Source of Contaminant
1. Total Coliform Bacteria	Naturally present in the environment
2. Fecal Coliform and <i>E. coli</i>	Human and animal fecal waste
3. Fecal	Human and animal fecal waste
4. Turbidity	Soil runoff
5. Gross Alpha	Erosion of natural deposits
6. Radium 228	Erosion of natural deposits
7. Aluminum	Erosion of natural deposits; residue from some surface water treatment processes
8. Arsenic	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes
9. Barium	Discharge of oil drilling wastes and from metal refineries; erosion of natural deposits
10. Chromium	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits
11. Fluoride	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
12. TTHM [Total trihalomethanes]	By-products of drinking water chlorination
13. HAA5- [5 Haloacetic Acids]	By-products of drinking water chlorination
14. Foaming Agents (MBAS)	Municipal and industrial waste discharges
15. Total dissolved solids	Runoff/ leaching from natural deposits
16. Specific conductance	Substances that form ions when in water; seawater influence
17. Chloride	Runoff/leaching from natural deposits; seawater influence
18. Sulfate	Runoff/leaching from natural deposits; seawater influence
19. Vanadium	Natural sources and from the burning of fuel oils
20. Hexavalent Chromium	Discharge from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities; erosion of natural deposits

OTHER TEST RESULTS OF INTEREST

Constituent	Description and Source Information
21. Sodium	Refers to the salt present in the water and is generally naturally-occurring
22. Hardness	Is the sum of polyvalent cations present in the water, generally magnesium and calcium. These cations are generally naturally-occurring.
23. pH	The pH of a water is a measure of its hydrogen ion activity or acidity. By definition the pH of pure water is 7.0. The pH range of most natural waters is about 6.0 to 8.5.

Examples of Source Water Protection Tips

Protection of drinking water is everyone's responsibility. You can help protect your community's drinking water source in several ways:

- Eliminate excess use of lawn and garden fertilizers and pesticides – they contain hazardous chemicals that can reach your drinking water source.
- Pick up after your pets.
- If you have your own septic system, properly maintain your system to reduce leaching to water sources or consider connecting to a public water system.

- Dispose of chemicals properly; take used motor oil to a recycling center.
- Volunteer in your community. Find a watershed or wellhead protection organization in your community and volunteer to help. If there are no active groups, consider starting one. Use U.S. EPA's Adopt Your Watershed to locate groups in your community or visit the Watershed Information Network's How to Start a Watershed Team.
- Organize a storm drain stenciling project with your local government or water supplier. Stencil a message next to the street drain reminding people "Dump No Waste – Drains to River" or "Protect Your Water". Produce and distribute a flyer for households to remind residents that storm drains dump directly into your local water body.

Water Conservation Tips

Did you know that the average U.S. household uses approximately 400 gallons of water per day or 100 gallons per person per day? Luckily, there are many low-cost and no-cost ways to conserve water. Small changes can make a big difference – try one today and soon it will become second nature.

- Take short showers – a 5-minute shower uses 4 to 5 gallons of water compared to up to 50 gallons for a bath.
- Shut off water while brushing your teeth, washing your hair, and shaving can save up to 500 gallons a month.
- Use a water-efficient showerhead. They are inexpensive, easy to install, and can save you up to 750 gallons a month.
- Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.
- Water plants only when necessary.
- Fix leaking toilets and faucets. Faucet washers are inexpensive and take only a few minutes to replace. To check your toilet for a leak, place a few drops of food coloring in the tank and wait. If it seeps into the toilet bowl without flushing, you have a leak. Fixing it or replacing it with a new, more efficient model can save up to 1,000 gallons a month.
- Adjust sprinklers so only your lawn is watered. Apply water only as fast as the soil can absorb it and during the cooler parts of the day to reduce evaporation.
- Teach your kids about water conservation to ensure a future generation that uses water wisely. Make it a family effort to reduce next month's water bill!
- Visit <https://www.epa.gov/watersense> for more information.

YOUR VIEWS ARE WELCOME

If you have any questions about this report, please contact Tom Zaharris, District Treatment Superintendent, at (530) 241-1085, ext. 112. We want our valued customers to be informed about their water district. If you want to learn more, please visit the District's web site: www.bvwd.org or attend any of our regularly scheduled Board of Directors meetings. The meetings are typically held on the fourth Monday of each month at 2:00 p.m. at the District office, located at 11368 E. Stillwater Way, Redding, CA 96003. Agendas are posted on the District's website.

Bella Vista Water District is an equal opportunity employer and provider.

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Appendix I Water Shortage Contingency Plan & Customer Actions by Water Shortage Stage