TUOLUMNE UTILITIES DISTRICT
18885 NUGGET BLVD ● SONORA, CA 95370
(209) 532-5536 ● Fax (209) 536-6485

DIRECTORS
Jeff Hollis
Glen Jacobs
Jeff Kerns
Carol Reel
Ron W. Ringen

Special Board Meeting Agenda
Wednesday, November 4, 2026 - 9:00 a.m.
TUD Board Room
18885 Nugget Blvd., Sonora, California

And

5637 Ruby Valley Road
Ruby Valley, Nevada 89833

Public Participation Procedures:
During the Board meeting, members of the public who wish to provide public comment will be invited to do so by the Board President. Members of the public who are physically present will be called first. Members of the public who are not present and wish to provide remote public comment via Zoom may use the 'Raise Hand' feature on their computer or press *9 if participating by phone.

Information to join meeting via Zoom:

- **Via video conferencing at: https://us02web.zoom.us/j/84905940033?pwd=gloeg7BKFOyYqvHj0OVAka5a9LBL0y.1**
- **Via teleconference by calling (253) 215-8782 or (301) 715-8592**
- **US Meeting ID: 849 0594 0033**
- **Password: 615206**
- **Public may also observe and listen to this meeting on TUD's YouTube Channel at Tuolumne Utilities District - YouTube**

Call to Order

Pledge of Allegiance

I. **Public Forum** - The Board welcomes public attendance and comments on District matters. This section is reserved for items not on the agenda. The Board may not discuss or take action on these items but values and considers all input. Each speaker is limited to three (3) minutes.

II. **Regular Business**

1. Authorize the Board President to Execute the Municipal & Industrial (M&I) and Irrigation Contract between the United States and Tuolumne Utilities District

Adjournment

Note: *Agenda Material can be viewed at our website at www.tudwater.com.*

Board Policy limits Board meetings to a duration of three (3) hours; however, the Board may consider whether to extend the meeting beyond three (3) hours by majority vote.

In accordance with the Americans with Disabilities Act, if you need special assistance (i.e. auxiliary aids or services) in order to participate in this public meeting, please contact the Clerk of the Board, Melissa McMullen, and (209) 532-5536 ext. 510. Notifications 48 hours prior to the start of the meeting will enable the Clerk to make reasonable accommodations to ensure accessibility to this public meeting.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.II.1

MEMORANDUM

Special Board Meeting of November 4, 2026

To:	Tuolumne Utilities District Board of Directors
From:	Don Perkins, General Manager
Agenda Section:	Regular Business
Subject:	Authorize the Board President to Execute the Municipal & Industrial (M&I) and Irrigation Contract between the United States and Tuolumne Utilities District

Recommendation:

Adopt the attached resolution authorizing the Board President to execute M&I and Irrigation Contract No. 25-WC-20-6370 with the United States Bureau of Reclamation.

Summary

The United States Bureau of Reclamation (USBR) has prepared a Municipal & Industrial (M&I) and Irrigation Contract No. 25-WC-20-6370 with the Tuolumne Utilities District for the furnishing and delivery of project water. M&I contracts are long-term water service agreements between the USBR and local water contractors (e.g., irrigation districts, water agencies) that provide Central Valley Project (CVO) water for municipal and industrial use.

The Contract provides for execution by the Board President and attestation by the Executive Secretary/Board Clerk. Adoption of the attached resolution authorizes the TUD Board President to execute the contract on behalf of the Tuolumne Utilities District. including non-substantive corrections or conforming changes that do not materially alter the District's obligations.

Fiscal Impact:

Per the terms of M&I and Irrigation Contract No. 25-WC-20-6370

Previously Related Action: N/A

Committee Status: N/A

Adherence to Policy: N/A

Attachments:

- Resolution
- M&I and Irrigation Contract No. 25-WC-20-6370

Board Action:	Resolution No. _____	Motion by _____ Second by _____
	Ayes: _____	Noes: _____
	Absent: _____	Abstained: _____ Recuse: _____

Resolution No. 18-26

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE UTILITIES DISTRICT AUTHORIZING THE BOARD PRESIDENT TO EXECUTE M&I AND IRRIGATION CONTRACT NO. 25-WC-20-6370 WITH THE UNITED STATES BUREAU OF RECLAMATION

WHEREAS, the United States Department of the Interior, Bureau of Reclamation, has prepared M&I and Irrigation Contract No. 25-WC-20-6370 between the United States and the Tuolumne Utilities District providing for project water service; and

WHEREAS, the Contract identifies the Tuolumne Utilities District as the contractor and provides for the furnishing and delivery of project water subject to the terms and conditions contained in the Contract; and

WHEREAS, the signature page of the Contract provides for execution by the President of the Board of Directors on behalf of the Tuolumne Utilities District and attestation by the Executive Secretary/Board Clerk; and

WHEREAS, the Board of Directors desires to authorize the Board President to execute the Contract on behalf of the Tuolumne Utilities District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tuolumne Utilities District as follows:

Section 1. The Board of Directors hereby approves M&I and Irrigation Contract No. 25-WC-20-6370 between the United States and the Tuolumne Utilities District providing for project water service.

Section 2. The Board President is hereby authorized to execute the Contract on behalf of the Tuolumne Utilities District, and the Executive Secretary/Board Clerk is authorized to attest the Board President's signature.

Section 3. The Board President is authorized to execute such non-substantive corrections or conforming changes as may be necessary to complete execution of the Contract, provided such changes do not materially alter the District's obligations without further approval by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Tuolumne Utilities District on November 4, 2026, by the following vote:

AYES:

NOES:

ABSENT:

RECUSE:

ATTEST:

_____

Jeff Hollis, President
Board of Directors

_____

Melissa McMullen,
Executive Secretary/Board Clerk

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

CONTRACT BETWEEN THE UNITED STATES AND TUOLUMNE UTILITIES DISTRICT PROVIDING FOR PROJECT WATER SERVICE

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

CONTRACT BETWEEN THE UNITED STATES AND TUOLUMNE UTILITIES DISTRICT PROVIDING FOR PROJECT WATER SERVICE

THIS CONTRACT made this _____day of _____, 20____, in pursuance general of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Acts of August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat. 483), October 23, 1962 (76 Stat. 1191), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer executing this Contract, hereinafter referred to as the Contracting Officer, and TUOLUMNE UTILITIES DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in Sonora, California.

WITNESSETH, That;

EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project, hereinafter "Project", California for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation, municipal, industrial, domestic, industrial, fish and

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wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, pursuant to the Flood Control Acts of December 22, 1944 (58 Stat. 887) and October 23, 1962 (76 Stat. 1173), the Corps of Engineers, United States Army, hereinafter "COE", was authorized to construct the New Melones Dam on the Stanislaus River, California, for the multipurpose use of flood control, irrigation, municipal and industrial, power genera, and recreation, among other beneficial purposes; and

[3rd] WHEREAS, pursuant to said acts, New Melones Dam and Reservoir were constructed by the COE and transferred to the Secretary of the Interior to become an integral part of the Project to be operated and maintained pursuant to the authorizing acts and Federal Reclamation law; and

[4th] WHEREAS, the Contractor has a present and future need to diversify its water supply options for irrigation and municipal and industrial purposes and meet its strategic planning goal of water security for residents of Tuolumne County; and

[5th] WHEREAS, the Flood Control Act of 1962 provides "That before initiating any diversions of water from the Stanislaus River Basin in connection with the operation of the Project, the Secretary of the Interior shall determine the quantity of water required to satisfy all existing and anticipated future needs within that basin and the diversion shall at all times be subordinate to the quantities so determined; and

[6th] WHEREAS, in the Record of Decision dated June 19, 1981, the Secretary determined the Stanislaus River Basin and the needs therein; and

[7th] WHEREAS, the Contractor is within the Basin; and the Secretarial determination

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and investigations by the United States indicate that there will be a water supply available from the Project for furnishing to the Contractor for surface diversion and direct application for irrigation and municipal and industrial and other purposes; and

[8th] WHEREAS, in accordance with Section 3404(b) of the Central Valley Project Improvement Act, the Secretary is authorized, pursuant to section 203 of the Flood Control Act of 1962, to enter into a long-term contract, in accordance with the Reclamation laws, with the Contractor, for the delivery of water from the New Melones project to the Contractor's water distribution system; and

[9th] WHEREAS, by letter of December 11, 2019, the Contractor requested a long-term water service contract for Project Water from the New Melones Unit of the Project; and

[10th] WHEREAS, the United States and Contractor recognize that Contractor will not have an immediate need for Project Water from the New Melones Unit of the Project, but as the need develops, Contractor's allocation of Project Water will reduce Stockton East Water District's and Central San Joaquin Water Conservation District's allocations of Project Water from the New Melones Unit of the Project because Contractor is an in-basin user (See Exhibits C and D) and therefore has first priority to this water as against these out-of-basin users; and

[11th] WHEREAS, the United States and the Contractor are willing to enter into this Contract pursuant to Federal Reclamation law on the terms and conditions set forth below; and

[12th] WHEREAS, the environmental compliance requirements for execution of this Contract have been met by *[Insert date and document number or title of the appropriate environmental document]*.

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

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DEFINITIONS

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

(a) "Basin" shall mean the Stanislaus River Basin area for which a reservation of water is required by the Flood Control Act of 1962, and which is defined in the special report entitled "New Melones Unit, Central Valley Project, California, Stanislaus River Basin Alternative and Water Allocation, September 1980", approved by the Under Secretary in his June 29, 1981, Record of Decision.

(b) "Calendar Year" or "Year" shall mean the period January 1 through December 31, both dates inclusive.

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

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

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

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

(g) "Contractor's Service Area" shall mean the area to which the Contractor is permitted to provide Project water under this Contract as described in Exhibit A attached hereto,

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which may be modified from time to time in accordance with Article 23 of this Contract without amendment of this Contract.

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

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

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

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

(l) "Ineligible Lands" shall mean all lands to which Irrigation Water may be delivered in accordance with Section 204 of the RRA.

(m) "Irrigation Full Cost Water Rate" shall mean the Full Cost Rate applicable

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to the delivery of Irrigation Water.

(n) "Irrigation Water or agricultural water" shall mean the use of Project Water to irrigate lands directly for the production of commercial agricultural crops or livestock and domestic and other uses that are incidental thereto.

(o) "Landholder" shall mean a party that directly or indirectly owns or leases nonexempt land, as provided in 43 CFR 426.2.

(p) "Municipal and Industrial (M&I) Water or municipal, industrial, and domestic water" shall mean the use of Project Water for municipal, industrial, and miscellaneous other purposes not falling under the definition of "Irrigation Water" or within another category of water use under an applicable Federal authority.

(q) "M&I Full Cost Water Rate" shall mean the Full Cost Rate applicable to the delivery of M&I Water.

(r) "Operation, Maintenance, and Replacement" or "OM&R" shall mean normal and reasonable care, control, operations, repair, replacement (other than capital replacement), and maintenance of Project facilities.

(s) "Project" shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation.

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

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

(v) "Rates" shall mean the payments determined annually by the Contracting Officer in accordance with the then-current applicable water ratesetting policies for the Project, as described in subdivision (a) of Article 6 of this Contract.

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(w) "Recent Historic Average" shall mean the most recent five-year average of the final forecast of Project Water made available to the Contractor pursuant to this Contract.

(x) "Tiered Pricing Component" shall be the incremental amount to be paid for each acre-foot of Water Delivered as described in subdivision (j) of Article 6 of this Contract.

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

TERM OF CONTRACT – RIGHT TO USE WATER

2. (a) The Contract shall be effective on the date hereinabove written, through December 31, 2051. In the event the Contractor wishes to renew this Contract beyond December 31, 2051, the Contractor shall submit a request for renewal in writing to the Contracting Officer no later than two years prior to the date this Contract expires.

(b) (1) Under terms and conditions of a renewal contract that are mutually agreeable to the parties hereto, and upon a determination by the Contracting Officer that at the time of contract renewal the conditions set forth in subdivision (b)(2) of this Article are met, and subject to Federal and State law, this Contract, insofar as it pertains to the furnishing of Irrigation and M&I Water to the Contractor, shall be renewed for a period of 25 years.

(2) The conditions which must be met for this Contract to be renewed are: (i) the Contractor has prepared a water conservation plan that has been determined by the Contracting Officer in accordance with Article 20 of this Contract to meet the conservation and efficiency criteria for evaluating such plans established under Federal law; (ii) the Contractor is implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan as required by Article 20 of this Contract; (iii) the Contractor is maintaining all water measuring devices and implementing all water measurement methods as

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approved by the Contracting Officer pursuant to Article 9 of this Contract; (iv) the Contractor has reasonably and beneficially used the Project Water supplies made available to it and, based on projected demands, is reasonably anticipated and expects to fully utilize for reasonable and beneficial use the quantity of Project Water to be made available to it pursuant to such renewal; (v) the Contractor is complying with all terms and conditions of this Contract; and (vi) the Contractor has the physical and legal ability to deliver Project Water.

(3) The terms and conditions of the renewal contract described in subdivision (b)(1) of this Article and any subsequent renewal contracts shall be developed consistent with the parties' respective legal rights and obligations, and in consideration of all relevant facts and circumstances, as those circumstances exist at the time of renewal, including without limitation, the Contractor's need for continued delivery of Project Water; environmental conditions affected by implementation of the Contract to be renewed, and specifically changes in those conditions that occurred during the life of the Contract to be renewed; the Secretary's progress toward achieving the purposes of the CVPIA as set out in Section 3402 and in implementing the specific provisions of the CVPIA; and current and anticipated economic circumstances of the region served by the Contractor.

(c) The Contracting Office shall make a determination within ten years after the date of execution of this Contract, and every five years thereafter during the term of this Contract, of whether a conversion of the relevant portion of this Contract to a contract under said subsections of the Reclamation Project Act of 1939 can be accomplished pursuant to the Acts of July 2, 1956 (70 Stat. 483) and June 21, 1963 (77 Stat. 68). Notwithstanding any provision of this Contract, the Contractor reserves and shall have all rights and benefits under the Acts of July 2, 1956 (70 Stat. 483) and June 21, 1963 (77 Stat. 68). The Contracting Officer anticipates that

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

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WATER TO BE FURNISHED TO THE CONTRACTOR

3. (a) During each Year, consistent with all applicable State water rights, permits, and licenses, Federal law, and subject to the provisions set forth in Article 11 of this Contract, the Contracting Officer shall make available for delivery to the Contractor 6,000 acre-feet of Project Water for irrigation (4,900 AF) and municipal and industrial (1,100 AF) purposes. Water Delivered to the Contractor in accordance with this subdivision shall be scheduled and paid for pursuant to the provisions of Articles 5 and 6 of this Contract.

(b) Because the capacity of the Project to deliver Project Water has been constrained in recent years and may be constrained in the future due to many factors including hydrologic conditions and implementation of Federal and State laws, the likelihood of the Contractor actually receiving the amount of Project Water set out in subdivision (a) of this Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the Programmatic Environmental Impact Statement (Reclamation 1999) projected that the Contract Total set forth in this Contract will not be available to the Contractor in many years

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

(e) The Contractor shall make reasonable and beneficial use of all water furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu), groundwater banking programs, surface water storage programs, and other similar programs utilizing Project Water or other water furnished pursuant to this Contract conducted within the Contractor's Service Area which are consistent with applicable State law and result in use consistent with Federal Reclamation law will be allowed; *Provided,* That any direct recharge program(s) is (are) described in the Contractor's water conservation plan submitted pursuant to

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Article 26 of this Contract; *Provided, further,* That such water conservation plan demonstrates sufficient lawful uses exist in the Contractor's Service Area so that using a long-term average, the quantity of Delivered Water is demonstrated to be reasonable for such uses and in compliance with Federal Reclamation law. Groundwater recharge programs, groundwater banking programs, surface water storage programs, and other similar programs utilizing Project Water or other water furnished pursuant to this Contract conducted outside the Contractor's Service Area may be permitted upon written approval of the Contracting Officer, which approval will be based upon environmental documentation, Project Water rights, and Project operational concerns. The Contracting Officer will address such concerns in regulations, policies, or guidelines.

(f) The Contractor shall comply with requirements applicable to the Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA), as amended, that are within the Contractor's legal authority to implement. Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or other environmental documentation referred to in this Article.

(g) As soon as possible following each declaration of Water Made Available under Article 5 of this Contract, the Contracting Officer will make a determination whether Project Water, or other water available to the Project, can be made available to the Contractor in addition to the Contract Total under Article 3 of this Contract during the Year without adversely impacting other Project Contractors. At the request of the Contractor, the Contracting Officer will consult with the Contractor prior to making such a determination. If the Contracting Officer determines that Project Water, or other water available to the Project, can be made available to

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the Contractor, the Contracting Officer will announce the availability of such water and shall so notify the Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor and other Project Contractors capable of taking such water to determine the most equitable and efficient allocation of such water. If the Contractor requests the delivery of any quantity of such water, the Contracting Officer shall make such water available to the Contractor in accordance with applicable statutes, regulations, guidelines, and policies.

(h) The Contractor's right pursuant to Federal Reclamation law and applicable State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract during the term thereof and any subsequent renewal contracts, as described in Article 2 of this Contract, during the terms thereof shall not be disturbed so long as the Contractor shall fulfill all of its obligations under this Contract and any renewals thereof. Nothing in the preceding sentence shall affect the Contracting Officer's ability to impose shortages under Article 11 of this Contract or applicable provisions of any subsequent renewal contracts.

(i) Project Water furnished to the Contractor pursuant to this Contract may be delivered for other than irrigation or M&I purposes upon written approval by the Contracting Officer in accordance with the terms and conditions of such approval.

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

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Contracting Officer shall recognize the Contractor has the legal right under the terms of this Contract to use Project Water.

CONTRACT WITH
CHICKEN RANCH RANCHERIA ME-WUK INDIANS OF CALIFORNIA

4. (a) The Contractor may enter into a subcontract with the Chicken Ranch Rancheria Me-Wuk Indians of California, hereinafter referred to as "Rancheria", for the resale and distribution of Project Water furnished pursuant to Article 3(b) of this Contract within the Contractor's Service Area. The subcontract shall be subject to the obligations and limitations imposed by this Contract and shall so provide. The terms and conditions of the subcontract shall be approved by the Contracting Officer prior to the execution of the subcontract. Nothing herein or therein contained shall be deemed in any way to release the Contractor from its primary liability to the United States hereunder with respect to each and all of the obligations undertaken by the Contractor in this Contract.

(b) The Contractor shall not realize a profit from the resale of water taken hereunder. In establishing the rate for resale by the Contractor of water taken hereunder, the costs of administration, operation, and maintenance of the Contractor's facilities, reserve fund for depreciation and contingencies, repayment of the Contractor's capital investment therein, and the Rates and Charges hereunder shall be apportioned equitably among all of the Contractor's water users or the Rancheria, as the case may be, of water taken hereunder.

(c) Upon advance written approval by the Contracting Officer of such arrangements, the Contractor or Rancheria may sell, transfer, or exchange Project Water with other customers of the Project.

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TIME FOR DELIVERY OF WATER

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

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

(c) The Contractor shall not schedule Project Water in excess of the quantity of Project Water the Contractor intends to put to reasonable and beneficial use within the Contractor's Service Area or to sell, transfer, or exchange pursuant to Article 12 of this Contract during any Year.

(d) Subject to the conditions set forth in subdivision (a) of Article 3 of this Contract, the United States shall deliver Project Water to the Contractor in accordance with the initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any

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written revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

RATES AND METHOD OF PAYMENT FOR WATER

6. (a) The Contractor shall pay the United States as provided in this Article for all Delivered Water at Rates, Charges, and the Tiered Pricing Component established in accordance with (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's ratesetting policy for M&I Water adopted in 2020. Such ratesetting policies shall be amended, modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract. Payments shall be made by cash transaction, electronic funds transfer, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon execution of this Contract are set forth in Exhibit "B", as may be revised annually.

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

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

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the period October 1 of the current Calendar Year, through September 30, of the following Calendar Year, and such notification shall revise Exhibit "B".

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

(c) At the time the Contractor submits the initial schedule for the delivery of Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the Contractor shall make an advance payment to the United States equal to the total amount payable pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the Project Water scheduled to be delivered pursuant to this Contract during the first two calendar months of the Year. Before the end of the first month and before the end of each calendar month thereafter, the Contractor shall make an advance payment to the United States, at the Rate(s) set under subdivision (a) of this Article, for the Water Scheduled to be delivered pursuant to this Contract during the second month immediately following. Adjustments between advance payments for Water Scheduled and payments at Rates due for Water Delivered shall be made before the end of the following month; *Provided*, That any revised schedule submitted by the Contractor pursuant to Article 4 of this Contract which increases the amount of Water Delivered pursuant to this Contract during any month shall be accompanied with appropriate advance payment, at the Rates then in effect, to assure that Project Water is not delivered to the Contractor in advance of such

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payment. In any month in which the quantity of Water Delivered to the Contractor pursuant to this Contract equals the quantity of Water Scheduled and paid for by the Contractor, no additional Project Water shall be delivered to the Contractor unless and until an advance payment at the Rates then in effect for such additional Project Water is made. Final adjustment between the advance payments for the Water Scheduled and payments for the quantities of Water Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no later than April 30th of the following Year.

(d) The Contractor shall also make a payment in addition to the Rate(s) in subdivision (c) of this Article to the United States for Project Water, at the Charges and the appropriate Tiered Pricing Component then in effect, before the end of the month following the month of delivery; *Provided*, That the Contractor may be granted an exception from the Tiered Pricing Component pursuant to subdivision (j)(2) of this Article. The payments shall be consistent with the quantities of Irrigation Water and M&I Water Delivered as shown in the water delivery report for the subject month prepared by the Contracting Officer. The water delivery report shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing Component for Water Delivered. Adjustment for overpayment or underpayment of Charges shall be made through adjustment of payments due to the United States for Charges for the next month. Any amount to be paid for past due payment of Charges and the Tiered Pricing Component shall be computed pursuant to Article 16 of this Contract.

(e) The Contractor shall pay for any Water Delivered under subdivision (a) or (f) of Article 3 of this Contract as determined by the Contracting Officer pursuant to applicable statutes, associated regulations, any applicable provisions of guidelines or ratesetting policies; *Provided*, That the Rate for Water Delivered under subdivision (g) of Article 3 of this Contract

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shall be no more than the otherwise applicable Rate for Irrigation Water or M&I Water under subdivision (b) of this Article.

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

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

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

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

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(j) (1) Beginning at such time as deliveries of Project Water in a Year exceed 80 percent of the Contract Total, then before the end of the month following the month of delivery the Contractor shall make an additional payment to the United States equal to the applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the Contract Total, shall equal one-half of the difference between the Rate established under subdivision (a) of this Article and the Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i) the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

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

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

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

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

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

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APPLICATION OF PAYMENTS AND ADJUSTMENTS

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

(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 38 of this Contract shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 38.

POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

8. (a) The Project Water to be furnished to the Contractor pursuant to this Contract will be released from Project facilities and deemed to be delivered at the locations depicted on Exhibit A, or such other location or locations as mutually agreed to, in writing, by the Contracting Officer and the Contractor.

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(b) The United States shall make all reasonable efforts, consistent with the most efficient overall operation of the Project to furnish water to the Contractor at the delivery points established pursuant to subdivision (a) of this Article.

(c) The Contractor shall construct and install, without cost or expense to the United States, facilities required by the Contractor to take and convey the water from the point or points of delivery. In the event the Contractor's facilities are installed, operated, and maintained on property of the United States, the Contractor will furnish for approval of the Contracting Officer drawings showing the construction to be performed by the Contractor at least 6 months before starting construction. The Contractor will not commence construction of any facilities on the property of the United States without the Contracting Officer's written approval of the drawings submitted by the Contractor. It is specifically recognized and agreed that this Contract does not grant to the Contractor any right of access to Project water or to lands of the United States for any purpose except as provided herein for installation, operation, and maintenance of the Contractor's facilities to take Project Water.

(d) The Contracting Officer shall make all reasonable efforts to maintain sufficient flows and levels of water in the Project facilities to deliver Project Water to the Contractor at specific locations established pursuant to subdivision (a) of this Article. The parties acknowledge that it may be necessary from time to time to shut down some or all of the Project facilities for maintenance or emergencies. Except in the case of emergency, the Contracting Officer shall consult with the Contractor to schedule the shutdown at such times and for such duration as will allow for the work to be accomplished completely and efficiently, and with a minimum of disruption of water service to the Contractor. In this regard, shutdowns will, to the extent reasonable possible, be limited to the months of December and January.

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

(f) All Water Delivered to the Contractor pursuant to this Contract shall be measured and recorded with equipment furnished, installed, operated, and maintained by the Contractor at the point or points of delivery established pursuant to subdivision (a) of this Article. Upon request of either party to this Contract, the Contracting Officer shall investigate the accuracy of such measurements and shall take any necessary steps to adjust any errors appearing therein. For any period of time when accurate measurements have not been made, the Contracting Officer shall consult with the Contractor prior to making a final determination of the quantity delivered for that period of time.

(g) The Contracting Officer shall not be responsible for the control, carriage, handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this Contract beyond the delivery point(s) specified in subdivision (a) of this Article. The Contractor shall indemnify the United States, its officers, employees, agents, and assigns on account of 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 Delivered beyond such delivery point(s), except for any damage or claim arising out of (i) acts or omissions of the Contracting Officer or any of its officers, employees, agents, or assigns with the intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the Contracting Officer or any of its officers, employees, agents, or assigns, (iii) negligence of the Contracting Officer or

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any of its officers, employees, agents, or assigns, or (iv) damage or claims resulting from a malfunction of facilities owned and/or operated by the United States.

(h) The Contracting Officer shall not be responsible for losses or Project Water quality degradation of Water Delivered to the Contractor pursuant to this Contract beyond the delivery point(s) specified in subdivision (a) of this Article

MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA

9. (a) Within five years of the effective date of this Contract, the Contractor shall ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the Contracting Officer all surface water delivered for irrigation purposes within the Contractor's Service Area is measured at each agricultural turnout and such water delivered for M&I purposes is measured at each M&I service connection. The Contractor shall ensure that all surface water delivered for irrigation purposes within the Contractor's Service Area is measured at each agricultural turnout and such water delivered for M&I purposes is measured at each M&I service connection. The water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintain and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall use the information obtained from such water measuring devices or water measuring methods to ensure its proper management of the water, to bill water users for water delivered by the Contractor; and, if applicable, to record water delivered for M&I purposes by customer class as defined in the Contractor's water conservation plan provided for in Article 20 of this Contract. Nothing herein contained, however, shall preclude the Contractor from establishing and collecting any charges, assessments, or other revenues authorized by California law. The

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Contractor shall include a summary of all its annual surface water deliveries in the annual report described in subdivision (c) of Article 20.

(b) To the extent the information has not otherwise been provided, upon execution of this Contract, the Contractor shall provide to the Contractor Officer a written report describing the measurement devices or water measuring methods being used or to be used to implement subdivision (a) of this Article and identifying the agricultural turnouts and the M&I service connections or alternative measurement programs approved by the Contracting Officer, at which such measurement devices or water measuring methods are being used, and, if applicable, identifying the locations at which such devices and/or methods are not yet being used including a time schedule for implementation at such locations. The Contracting Officer shall advise the Contractor in writing within 60 days as to the adequacy and necessary modifications, if any, of the measuring devices or water measuring methods identified in the Contractor's report and if the Contracting Officer does not respond in such time, they shall be deemed adequate. If the Contracting Officer notifies the Contractor that the measuring devices or methods are inadequate, the parties shall within 60 days following the Contracting Officer's response, negotiate in good faith the earliest practicable date by which the Contractor shall modify said measuring devices and/or measuring methods as required by the Contracting Officer to ensure compliance with subdivision (a) of this Article.

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

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

(e) The Contractor shall inform the Contracting Officer on or before the 7th calendar day of each month of the quantity of Irrigation Water and M&I Water taken during the preceding month.

TEMPORARY REDUCTIONS – RETURN FLOWS

10. (a) The United States shall make reasonable efforts, consistent with the most efficient overall operation of, the Project, to furnish water to the Contractor at the delivery points established pursuant to Article 8.

(b) The United States may temporarily discontinue or reduce the quantity of water to be furnished to the Contractor as herein provided for the purposes of such investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part, thereof necessary for the furnishing of water to the Contractor, but so far as feasible the United States will give the Contractor doe notice in advance of such temporary discontinuance or reduction, except in case of emergency, is which case no notice is need be given: Provided, however, That the United States shall use its best efforts to avoid any discontinuance or reduction in service. Upon resumption of service after such reduction or discontinuance and if requested by the Contractor, the United States will attempt, to deliver the quantity of water which would have been furnished hereunder in the absence of such discontinuance or reduction.

(c) The United States reserves the right to all waste, seepage, and return-flow water derived from water furnished to the Contractor which escapes or is discharged beyond boundaries of the Contractor's Service Area. Nothing herein shall be construed as claiming for

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the United States any right, as waste, seepage, or return flow, to water being used pursuant to this Contract for Surface irrigation or underground storage within the contractor's Service Area by the Contractor, or those claiming by or through the Contractor.

CONSTRAINTS ON THE AVAILABILITY OF WATER

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

(b) If there is a Condition of Shortage because of inaccurate runoff forecasting or other similar operational errors affecting the Project; drought and other physical or natural causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer to meet current and future legal obligations, then except as provided in Subdivision (c) of Article 11, no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

(c) In any Year in which that the Contracting Officer determines that there is a shortage in the quantity of water available to customers of the United States from the New Melones Unit of the Project, the Contracting Officer will:

(1) First allocate the available Project Water consistent with the draft CVP M&I Water Shortage Policy on the effective date of this Contract as finally adopted after environmental review for determining the amount of Project Water available or delivery to the New Melones Unit Project Contractors.

(2) Second allocate any remaining available Project Water to meet up to the full needs of the in-Basin contractors;

(3) Thirdly allocate any remaining supply among the remaining water users capable of receiving water from said Unit, consistent with the existing contracts and Project authorizations.

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(d) Project Water furnished under this Contract for M&I purposes will be allocated in accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be amended, modified, or superseded only through a public notice and comment procedure.

(e) By entering into this Contract, the Contractor does not waive any legal rights or remedies it may have to file or participate in any administrative or judicial proceeding contesting (i) the sufficiency of the manner in which any Project M&I Water Shortage Policy adopted after the effective date of this Contract was promulgated; (ii) the substance of such a policy; or (iii) the applicability of such a policy. By agreeing to the foregoing, the Contracting Officer does not waive any legal defenses or remedies that it may then have to assert in such a proceeding.

TRANSFERS OR EXCHANGES OF WATER

12. Water furnished to the Contractor pursuant to this Contract shall not be sold, exchanged, or otherwise disposed of for use outside the Contractor's Service Area without prior written consent of the Contracting Officer.

WATER ACQUIRED BY THE CONTRACTOR
OTHER THAN FROM THE UNITED STATES

13. (a) Water or water rights now owned or hereafter acquired by the Contractor other than from the United States and Irrigation Water furnished pursuant to the terms of this Contract may be simultaneously transported through the same distribution facilities of the Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water and non-Project water were constructed without funds made available pursuant to Federal Reclamation law, the provisions of Federal Reclamation law will be applicable only to the Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive Irrigation Water must be established through the certification requirements as specified in the

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Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of Eligible Lands within the Contractor's Service Area can be established and the quantity of Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-Project water are/were constructed with funds made available pursuant to Federal Reclamation law, the non-Project water will be subject to the acreage limitation provisions of Federal Reclamation law, unless the Contractor pays to the United States the incremental fee described in 43 CFR 426.15. In determining the incremental fee, the Contracting Officer will calculate annually the cost to the Federal Government, including interest, on storing or delivering non-Project water, which for the purposes of this Contract shall be determined as follows: The quotient shall be the unpaid distribution system costs divided by the total irrigable acreage within the Contractor's Service Area. The incremental fee per acre is the mathematical result of such quotient times the interest rate determined using Section 202(3) of the Act of October 12, 1982 (96 Stat. 1263). Such incremental fee will be charged to each acre of excess or full cost land within the Contractor's Service Area that receives non-Project water through Federally financed or constructed facilities. The incremental fee calculation methodology will continue during the term of this Contract absent the promulgation of a contrary Reclamation-wide rule, regulation, or policy adopted after the Contractor has been afforded the opportunity to review and comment on the proposed rule, regulation, or policy. If such rule, regulation, or policy is adopted it shall supersede this provision.

(b) Water or water rights now owned or hereafter acquired by the Contractor, other than from the United States, may be stored, conveyed, and/or diverted through Project facilities, subject to the completion of appropriate environmental documentation, with the

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approval of the Contracting Officer and the execution of any contract determined by the Contracting Officer to be necessary, consistent with the following provisions:

(1) The Contractor may introduce non-Project water into Project facilities and deliver said water to lands within the Contractor's Service Area, including Ineligible Lands, subject to payment to the United States of an appropriate rate as determined by the applicable Project ratesetting policy, the RRA, and the Project use power policy, if such Project use power policy is applicable, each as amended, modified, or superseded from time to time.

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

(3) The United States shall not be responsible for control, care, or distribution of the non-Project water before it is introduced into or after it is delivered from the Project facilities. The Contractor hereby releases and agrees to defend and indemnify the United States, and their respective officers, agents, and employees, from any claim for damage to persons or property, direct or indirect, resulting rom the acts of the Contractor, its officers', employees', agents', or assigns', act(s) in (i) extracting or diverting non-Project water from any source, or (ii) diverting such non-Project water into Project facilities.

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(4) Diversion of such non-Project water into Project facilities shall be consistent with all applicable laws, and if involving groundwater, consistent with any applicable groundwater management plan for the area from which it was extracted.

(5) After Project purposes are met, as determined by the Contracting Officer, the United States and the Contractor shall share priority to utilize the remaining capacity of the facilities declared to be available by the Contracting Officer for conveyance and transportation of non-Project water prior to any such remaining capacity being made available to non-Project contractors.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

14. (a) The parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this contract is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa, *et seq*.), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

(b) The Contractor shall comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this Contract.

GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

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

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

CHARGES FOR DELINQUENT PAYMENTS

16. (a) The Contractor shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest charge on the delinquent payment for each day the payment is delinquent

beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in addition to the interest charge, an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor shall pay, in addition to the interest and administrative charges, a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt collection services associated with a delinquent payment.

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

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

PROTECTION OF WATER AND AIR QUALITY

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

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

(c) This article will not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

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

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

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

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

WATER CONSERVATION

19. (a) Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations). Additionally, an effective water conservation and efficiency program shall be based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and times schedules for meeting those objectives. Continued Project Water delivery pursuant to this Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's water conservation plan or any revised water conservation plan completed pursuant to subdivision (d) of Article 20 of this Contract have not yet been determined by the Contracting Office to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, water

deliveries shall be made under this Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.

(b) Should the amount of M&I Water delivered pursuant to this Contract equal or exceed two thousand (2,000) acre-feet per Year, the Contractor shall implement the best management practices identified in the California Great Basin Region's then-existing water conservation and efficiency criteria for such M&I Water unless any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

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

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

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

BOOKS, RECORDS, AND REPORTS

20. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this contract, including the

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

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

CHANGES IN CONTRACTOR'S SERVICE AREA OR ORGANIZATION

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

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

OFFICIALS NOT TO BENEFIT

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

CONFIRMATION OF CONTRACT

25. Promptly after the execution of this contract, the Contractor will provide to the Contracting Officer a certified copy of a final decree of a court of competent jurisdiction in the State of California, confirming the proceedings on the part of the Contractor for the authorization of the execution of this contract. This contract will not be binding on the United States until the Contractor secures a final decree.

NOTICES

26. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, Bureau of Reclamation, Central California Area Office, 7794

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Folsom Dam Road, Folsom, California 95630, and on behalf of the United States, when mailed, postage prepaid, or delivered to the General Manager of the Contractor, 18885 Nugget Blvd, Sonora, California 95370. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

PRIVACY ACT COMPLIANCE

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

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

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

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

(e) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of records filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral; and provide the System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 C.F.R. § 426.18 unless the requester elects to cite the Privacy Act as authority for the request.

MEDIUM FOR TRANSMITTING PAYMENTS

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

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

INCORPORATION OF EXHIBITS

29. Exhibits A through D are attached hereto and incorporated herein by reference.

CONTRACTING DRAFTING CONSIDERATIONS

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

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

(b) The Contracting Officer shall have the right to make determinations necessary to administer this Contract that are consistent with the provisions of this Contract, the laws of the United States and of the State of California, and the rules and regulations

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promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Contractor to the extent reasonably practicable.

TITLE TO PROJECT LANDS AND FACILITIES

32. Title to Project land and facilities will remain in the name of the United States until such time as Congress authorizes title to be transferred and until such time title is actually transferred through required procedures.

UNAVOIDABLE GROUNDWATER PERCOLATION

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

COORDINATION AND COOPERATION

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

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

(c) In light of the factors referred to in subdivision (b) of Article 3 of this Contract, it is the intent of the Secretary to improve water supply reliability. To carry out this intent:

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

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

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

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

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

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

CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

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

EXISTING OR ACQUIRED WATER OR WATER RIGHTS

36. Except as specifically provided in Article 13 of this Contract, the provisions of this Contract shall not be applicable to or affect non-Project water or water rights now owned or hereafter acquired by the Contractor or any user of such water within the Contractor's Service Area. Any such water shall not be considered Project Water under this Contract. In addition, this Contract shall not be construed as limiting or curtailing any rights which the Contractor or

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any water user within the Contractor's Service Area acquires or has available under any other contract pursuant to Federal Reclamation law.

SEVERABILITY

37. In the event that any one or more of the provisions contained herein is, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Contract, but this Contract is to be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties by this Contract to become unavailable or materially altered.

RESOLUTION OF DISPUTES

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

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FEDERAL LAWS

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

CONTRACT COMPLIANCE REVIEW

40. Each Party to this Contract hereby expressly acknowledges and affirms the authority of the Contracting Officer to conduct contract compliance reviews ensuring contract compliance, in strict accordance with the provisions of Reclamation law and policy.

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

THE UNITED STATE OF AMERICA

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

TUOLUMNE UTILITIES DISTRICT

By:_____
President, Board of Directors

Attest:

By:_____
Secretary of the Board of Directors

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EXHIBIT A

CONTRACTOR'S SERVICE AREA

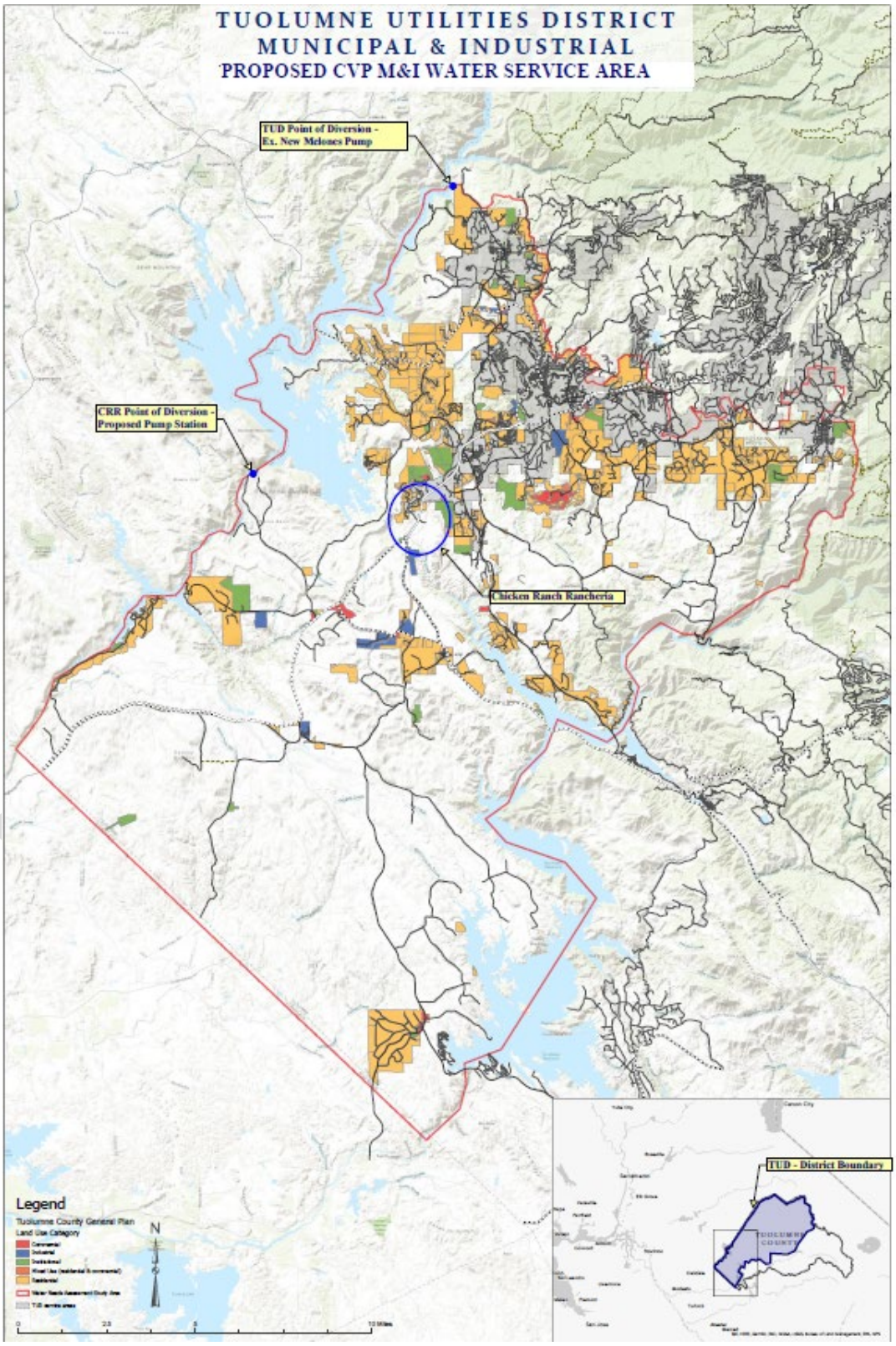

EXHIBIT B

RATES AND CHARGES

		Ag and M&I
		Contract No. 25-WC-20-6370
Exhibit B		
Tuolumne Utilities District		
2025 Rates and Charges		
(Per Acre-Foot)		
	Irrigation Water	**M&I Water**
COST-OF-SERVICE (COS) RATE		
Construction Component	N/A	N/A
Folsom Safety of Dams	$0.38	$0.62
O&M Component		
Water Marketing	$12.20	$9.93
Storage	$12.68	$16.66
Conveyance/ XM Storage Estimated	$0.28	$0.10
Deficit Cost Component	$0.00	$0.00
TOTAL COS RATE	$25.54	$27.31
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	N/A
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	TBD	N/A
CHARGES AND ASSESSMENTS *(Payments in Addition to Rates)*		
P.L. 102-575 Surcharges (Restoration Fund Payments)[1] [Section 3407(d)(2)(A)]	$13.33	$26.67
P.L. 106-377 Assessment (Trinity Public Utilities District)[2] [Appendix B, Section 203]	N/A	N/A
EXPLANATORY NOTES		
1 The surcharges were determined pursuant to Title XXXIV of P.L. 102-575. 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 part of the water marketing rate on Section A-2A. It is not shown separtely.		

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STOCKTON EAST WATER DISTRICT
PROVIDING SERVICE SINCE 1948
www.sewd.net

DIRECTORS

Richard Atkins
President
Division 1

Andrew Watkins
Division 2

Alvin Cortopassi
Division 3

Melvin Panizza
Division 4

Paul Sanguinetti
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Paul Nakaue
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VIA ELECTRONIC TRANSMISSION

Mr. Drew Lessard
Area Manager
United States Bureau of Reclamation
Central California Area Office
7794 Folsom Dam Road
Folsom, CA 95630
dlessard@usbr.gov

Re: New Melones Water Supply Contract with Tuolumne Utilities District

Dear Drew:

Pursuant to request of the Tuolumne Utilities District ("TUD"), Stockton East Water District confirms that we do not oppose the Bureau of Reclamation entering into a contract with TUD for water service from the New Melones Unit of the Central Valley Project in an amount not to exceed 6,000 acre-feet annually. The district also acknowledges, in accordance with the law governing the New Melones Project, that TUD, as an in-basin contractor, will have first priority to that 6,000 acre-feet from New Melones.

Sincerely,

Mr. Justin Hopkins
General Manager

THE CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT
"67,000 acres of diversified family farms in San Joaquin County, California"
11 S. San Joaquin St., Ste. 306, Stockton, California 95202
(209) 466-7952 • FAX 466-7953

DIRECTORS
EUGENE CAFFESE
TONY CHIAPPE
RICHARD WAGNER
GRANT THOMPSON
RICHARD VELDSTRA

COUNSEL
REID W. ROBERTS

November 5, 2024

Drew Lessard
Area Manager, Bureau of Reclamation
Central California Area Office
7794 Folsom Dam Rd
Folsom CA 95630

RE: New Melones Water Supply Contract with Tuolumne Utilities District

Dear Mr. Lessard,

Please be advised that Central San Joaquin Water Conservation District has been informed of a negotiation between Tuolumne Utilities District and the Bureau of Reclamation for a Water Service Contract from New Melones Reservior. Central does not oppose a negotiation and execution of a contract for the water supply.

If you have any questions please contact the undersigned.

Very Truly Yours,

Reid W. Roberts, Secretary
Central San Joaquin Water
Conservation District

CC: TUD