

Folsom City Council Staff Report

MEETING DATE:	1/28/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10379 - A Resolution Authorizing the City Manager to Execute a Contract Between the United States and City of Folsom Providing for Project Water Service and Facilities Repayment
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10379 - A Resolution Authorizing the City Manager to Execute a Contract Between the United States and City of Folsom Providing for Project Water Service and Facilities Repayment

BACKGROUND / ISSUE

In April 1999, pursuant to Federal Reclamation Law, the federal government (United States) and the Sacramento County Water Agency (SCWA) entered into Contract No 6-07-20-W1372 where the United States agreed to furnish up to 22,000 acre-feet (AF) of Central Valley Project (CVP) water annually to SCWA. Article 34 of that agreement allowed SCWA to enter into a sub-contract for the resale of water, up to 7,000 AF annually, to the City of Folsom.

In April 2000, the City entered into the aforementioned sub-contract agreement with the SCWA for 7,000 AF of CVP water annually for use within the “Contract Service Area”, also identified as the City’s East Area. In October 2016, through Resolution No. 9844, City Council approved the following:

1. An agreement assigning Central Valley Project water from the United States Bureau of Reclamation to the City of Folsom
2. Termination of the existing sub-contract agreement to procure Central Valley Project water from the Sacramento County Water Agency

Each of these actions resulted in the City having a direct contract with Reclamation. The assignment of water from Reclamation to the City improved the annual reporting and accounting between the City and Reclamation. Furthermore, the assignment of CVP water supplies from Reclamation directly to the City will simplify the dry-year allocation process under Reclamation's Municipal and Industrial Water Shortage Policy moving forward between the City and Reclamation.

In December 2016, Congress passed the Water Infrastructure Improvements for the Nation (WIIN) Act, which is comprehensive legislation relating to federal water infrastructure. More specifically, the WIIN Act includes Section 4011 of Subtitle J that addresses California Water and the conversion and prepayment of current water service contracts into repayment contracts. For the City, this allows for the following:

- The City would not have to renew its CVP water service contract at any time in the future
- The City would pay off its unpaid construction costs, which is approximately \$200,000 and avoid annual interest costs associated with this unpaid balance
- The City would not likely have to develop future water needs assessments for the use of the 7,000 AF of CVP water

POLICY / RULE

In accordance with Chapter 2.36 of the [Folsom Municipal Code](#), agreements costing \$62,014 or greater shall be approved by the City Council.

ANALYSIS

In December 2016, Congress passed the Water Infrastructure Improvements for the Nation (WIIN) Act, which is comprehensive legislation relating to federal water infrastructure. More specifically, the WIIN Act includes Section 4011 of Subtitle J that addresses California Water and the conversion and prepayment of current water service contracts into repayment contracts. For the City, this allows for the following:

- The City would not have to renew its CVP water service contract at any time in the future
- The City would pay off its unpaid construction costs, which is approximately \$200,000
- The City would not likely have to develop future water needs assessments for the use of the 7,000 AF of CVP water

As required by the WIIN Act, the City submitted a letter to the Bureau of Reclamation in May 2018 requesting that Reclamation initiate a review of the City's financial obligations under its existing CVP water service contract and the potential obligations to convert this into a repayment contract. In August 2018, Reclamation confirmed receipt of the City's request and provided an estimate of unpaid construction costs owed by the City to Reclamation. Beginning in May 2019, Reclamation initiated the contract conversion process and began negotiations

with contractors throughout the CVP to convert their water service contracts to repayment contracts.

Upon completion of the negotiations at the CVP-wide level, in August 2019, Reclamation began working with CVP Contractors at the Division level. For the City, the negotiations continued with other American River Division Contractors and Reclamation's Central California Area Office. The negotiations covered topics such as addressing the removal of Reclamation Reform Act restrictions upon completion of the conversion to a repayment contract, and updates to the method of payment, the equal employment opportunity, and other language in the standard articles that Reclamation imposes in every water supply contract.

In December 2019, Reclamation announced the public release of the draft repayment contracts for the American River Division, including the City of Folsom's contract, for a 60-day public comment period. As shown in the attached draft, the City's proposed Repayment Contract reflects the same terms and basic elements of the existing water service contract assignment, including the amount of CVP water to be supplied, the shortage provisions of Reclamation's Municipal and Industrial Shortage Policy for dry or drought conditions, the requirements related to water reporting and scheduling, and the terms for payment for water delivered to the City. The substantive provisions of the repayment contract are the same as exist for the City in its assignment of the SCWA contract because the WIIN Act directed Reclamation to convert the contracts without changing the substantive terms.

The proposed Repayment Contract provides a more favorable contract term (permanent as opposed to term of years) and it provides the same quantity and access to CVP water from Folsom Reservoir.

The Environmental and Water Resources Department recommends the City Council pass and adopt a Resolution authorizing the City Manager to execute the contract between the United States and City of Folsom providing for project water service and facilities repayment. As noted above, this contract will not change the requirements or responsibilities of the City or Reclamation for CVP water service, nor will it change the amount of CVP water available to the City.

The attached proposed Resolution recognizes that non-substantive corrections may occur from the time City Council takes action and the presentation of the proposed Repayment Contract for execution by the City of Folsom. The attached proposed Resolution allows for execution of the draft Repayment Contract, if, in the opinion of the City Attorney, any subsequent changes were only technical and did not change the substantive terms of the contract, such as changes of a technical or clerical nature.

FINANCIAL IMPACT

Funds have been budgeted and are available in the Water Operating Fund (Fund 520) for the payment of unpaid construction costs. These costs, which will be calculated by the Bureau of Reclamation upon execution of the agreement and based on estimates provided by Reclamation

in December 2019, should not exceed \$200,000. Staff is requesting authorization for a not to exceed amount of \$200,000. Execution of the Repayment Contract would result in future cost savings in that the City would not have to incur the environmental review and other expenses associated with future renewals of its Long-Term Water Service Contract

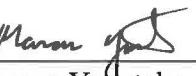
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) only applies to projects which have the potential to cause a significant effect on the environment. CEQA defines "project" to include only those activities that involve a direct or reasonably foreseeable indirect physical impact on the environment. Pub. Res. Code § 21065. An activity that does not satisfy this threshold criterion is not subject to CEQA and the agency can properly make a finding that the activity is exempt from CEQA. CEQA Guidelines § 15060(c). Organizational and financial activities do not constitute a project subject to CEQA review absent evidence the activities will trigger a change in the existing physical environment. Furthermore, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines §15061(b)(3)). The proposed execution of the Repayment Contract for water service with the U.S. Bureau of Reclamation meets the above criteria and is not subject to CEQA. The proposed action is the conversion of contracts from long-term water service contracts to permanent contracts. No changes in the operations of the project or the delivery of water will be triggered by the proposed action. This is merely a legal and financial transaction that will not cause any physical impact on the environment. A Notice of Exemption has been prepared to that effect, and no additional environmental review is required.

ATTACHMENTS

1. Resolution No. 10379 - A Resolution Authorizing the City Manager to Execute a Contract Between the United States and City of Folsom Providing for Project Water Service and Facilities Repayment
2. Contract Between the United States and City of Folsom Providing for Project Water Service and Facilitates Repayment.

Submitted,



Marcus Yasutake, Director
ENVIRONMENTAL & WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 10379

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A
CONTRACT BETWEEN THE UNITED STATES AND CITY OF FOLSOM
PROVIDING FOR PROJECT WATER SERVICE AND FACILITIES REPAYMENT**

WHEREAS, the City currently has a water service contract with the United States Bureau of Reclamation for Central Valley Project water; and

WHEREAS, the existing CVP water service contract will expire on April 8, 2024; and

WHEREAS, the proposed repayment contract will not have an expiration date; and

WHEREAS, by converting the water service contract to a permanent repayment contract, the City will avoid future costs that would otherwise be incurred to renew the water service contract, such as legal and environmental review costs; and

WHEREAS, the City's unpaid construction costs of the Central Valley Project owed to the Bureau of Reclamation are slightly less than \$200,000; and

WHEREAS, the Bureau of Reclamation will provide the final costs owed by the City upon the execution of this agreement; and

WHEREAS, sufficient funds are available in the Water Operating Fund (Fund 520) for an amount not to exceed \$200,000; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney; and

WHEREAS, the City's conversion from a water service contract to a Repayment Contract does not increase the amount of water the City receives, nor does it change any water project operations or deliveries. This is merely a legal and financial transaction that will not cause any physical impact on the environment. Consequently, approval of this Repayment Contract does not trigger environmental review under the California Environmental Quality Act;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a contract between the United States and City of Folsom providing for project water service and facilities repayment; and,

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Council of the City of Folsom that non-substantive corrections may occur after the time City Council takes action on this item and before presentation of the proposed Repayment Contract for execution by the United States and that, if in the opinion of the City Attorney, any subsequent changes did not change substantive terms of the contract, such as changes of a technical or clerical nature, the City Manager may make and approve such edits without further City Council action being required.

PASSED AND ADOPTED this 28th day of January 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

CCAO 11-15-2019
CCAO 11-19-2019
CCAO 12-02-2019
CCAO 12-11-2019
CCAO 12-16-2019
CCAO 01-09-2020

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

CONTRACT BETWEEN THE UNITED STATES
AND
CITY OF FOLSOM
PROVIDING FOR PROJECT WATER SERVICE
AND FACILITIES REPAYMENT

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Exhibit A - Rates and Charges

Exhibit B - Map of Contractor's Service Area

Exhibit C – Existing Capital Obligation

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

CONTRACT BETWEEN THE UNITED STATES
AND
CITY OF FOLSOM
PROVIDING FOR PROJECT WATER SERVICE
AND FACILITIES REPAYMENT

THIS CONTRACT, made this _____ day of _____, 20____, in pursuance
of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto,
but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and supplemented;
April 4, 1939 (53 Stat. 1187), as amended and supplemented; June 21, 1963 (77 Stat. 68); October 12,
1966 Stat. 1262), as amended; November 5, 1990 (104 Stat. 2074), Title XXXIV of the Act of
October 30, 1992 (106 Stat. 4706), and the Water Infrastructure Improvements for the Nation Act
of 2005 (P.L. 108-432, 114 Stat. 130 Stat. 1628), Section 4011 (a-d) and (f) ("WIIN Act"), all collectively
hereinafter referred to as the Federal Reclamation law, between THE UNITED STATES OF
California, hereinafter referred to as the United States, represented by the officer executing this
Contract, hereinafter referred to as the Contracting Officer, and the CITY OF FOLSOM, hereinafter
referred to as the Contractor, a public agency of the State of California, duly organized, existing, and
pursuant to the laws thereof, with its principal place of business in Folsom, California;

WITNESSETH. That:

EXPLANATORY RECITALS

24 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
25 Project, California, for diversion, storage, carriage, and distribution of waters of the Sacramento,
26 American, Trinity, and San Joaquin Rivers and their tributaries for flood control, irrigation, municipal,

27 domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution
28 of electric energy, salinity control, navigation and other beneficial uses; and

29 [2nd] WHEREAS, the United States constructed Folsom Dam and Reservoir and appurtenant
30 facilities, hereinafter collectively referred to as the Project facilities, which will be used in part for the
31 furnishing of water to the Contractor pursuant to the terms of this Contract; and

32 [3rd] WHEREAS, Section 206(b) of P. L. 101-514 (104 Stat. 2074) authorized and directed the
33 Secretary of the Interior to enter into a municipal and industrial (M&I) water supply contract with
34 Sacramento County Water Agency, not to exceed a total amount of 22,000 acre-feet annually, to meet
35 the immediate needs of Sacramento County, and as the first phase of a contracting program to meet the
36 long-term water supply needs of Sacramento County; and

37 [3.1] WHEREAS, Section 206(b) of P. L. 101-514 provides that annual quantities delivered
38 under that contract will be determined by the Contracting Officer based upon the quantity of water
39 actually needed in the Sacramento County Water Agency service area, after considering factors
40 specified in the statute; and

41 [3.2] WHEREAS, Section 203 of P. L. 108-137 subsequently deleted the requirement imposed
42 by Section 206(b) of P. L. 101-514, and eliminated the need for the Contracting Officer to determine the
43 water needs in the Sacramento County Water Agency service area and quantities of water to be
44 delivered on an annual basis; and

45 [4th] WHEREAS, Section 206(b) of P.L. 101-514 specified that the contracts entered into
46 pursuant to that section were exempt from the general prohibition on new Central Valley Project
47 contracts contained in Section 3404 of the Central Valley Project Improvement Act (CVPIA); and

48 [5th] WHEREAS, Sacramento County Water Agency requested that the United States enter
49 into a contract for water service from the Central Valley Project pursuant to Section 206(b) of P.L. 101-
50 514, Federal Reclamation law and the laws of the State of California, and on April 8, 1999, Sacramento
51 County Water Agency and the United States did enter into Contract No. 6-07-20-W1372 (the "Master
52 Contract"); and

53 [6th] WHEREAS, Pursuant to the Master Contract, the United States agreed to furnish up to
54 22,000 acre-feet of water annually from Project facilities to Sacramento County Water Agency, subject
55 to the terms and conditions of the Master Contract; and

56 [7th] WHEREAS, The Contractor is a municipality within the boundaries of Sacramento
57 County Water Agency; and

58 [8th] WHEREAS, investigations indicated that there was a need for water in the amount of
59 7,000 acre-feet annually for municipal and industrial use by the Contractor within the Contractor's
60 Service Area as described in the Master Contract; and

61 [9th] WHEREAS, Sacramento County Water Agency requested authorization under the Master
62 Contract to enter into a subcontract with the City of Folsom for the resale and distribution of up to 7,000
63 acre-feet of Project Water made available under the Master Contract to be diverted at Folsom Reservoir
64 for delivery to the Contractor's water treatment plant for use within the Master Contract Use Area; and

65 [10th] WHEREAS, The Contracting Officer, as that term is defined in the Master Contract, gave
66 consent to and approval of the form, terms and conditions of the Subcontract between Sacramento
67 County Water Agency and the Contractor;

68 [11th] WHEREAS, with the approval of the Contracting Officer, Sacramento County Water
69 Agency later agreed to assign a portion of the Master Contract to the Contractor and to terminate the

70 P. L. 101-514 Project Subcontract effective upon the partial assignment of the Master Contract, and the
71 partial assignment Contract No. 6-07-20-W1372B is referred to herein as the Existing Contract; and

72 [12th] WHEREAS, the Contracting Officer has determined that the Contractor has the capability
73 to fully utilize for reasonable and beneficial use, or shown projected future reasonable and beneficial use
74 for, the quantity of Project Water to be made available to it pursuant to this Contract; and

75 [13th] WHEREAS, on December 16, 2016, the 114th Congress of the United States of America
76 enacted the WIIN Act; and

77 [14th] WHEREAS, WIIN Act, Section 4011(a)(1) provides that “upon request of the contractor,
78 the Secretary of the Interior shall convert any water service contract in effect on the date of enactment of
79 this subtitle and between the United States and a water users’ association [Contractor] to allow for
80 prepayment of the repayment contract pursuant to paragraph (2) under mutually agreeable terms and
81 conditions.”; and

82 [15th] WHEREAS, WIIN Act, Section 4011(a)(1) further provides that “the manner of
83 conversion under this paragraph shall be as follows: (A) Water service contracts that were entered into
84 under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under this section shall be
85 converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195); and “(B) Water service
86 contracts that were entered under subsection (c)(2) of section 9 of the Act of August 4, 1939 (53 Stat.
87 1194), to be converted under this section shall be converted to a contract under subsection (c)(1) of
88 section 9 of that Act (53 Stat. 1195).”; and

89 [16th] WHEREAS, WIIN Act, Section 4011(a)(4)(C) further provides all contracts entered into
90 pursuant to WIIN Act, Section 4011(a)(1), (2), and (3) shall “not modify other water service, repayment,
91 exchange and transfer contractual rights between the water users’ association [Contractor], and the

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

94 [17th] WHEREAS, WIIN Act, Section 4011(d)(3) and (4) provides that “implementation of the
95 provisions of this subtitle shall not alter...(3) the priority of a water service or repayment contractor to
96 receive water; or (4) except as expressly provided in this section, any obligations under the reclamation
97 law, including the continuation of Restoration Fund charges pursuant to section 3407(d) (Public Law
98 102-575), of the water service and repayment contractors making prepayments pursuant to this section.”;
99 and

100 [18th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the Secretary to
101 convert municipal and industrial (M&I) water service contracts into repayment contracts, amend
102 existing repayment contracts, and allow contractors to prepay their construction cost obligations
103 pursuant to applicable Federal Reclamation law; and

104 [19th] WHEREAS, the Contractor requested that its Existing Contract be converted under the
105 WIIN Act, and the United States and the Contractor have agreed to convert the Existing Contract into
106 this repayment contract, consistent with the Federal Reclamation law; and

107 [20th] WHEREAS, consistent with the WIIN Act, in entering into this Contract, the parties do
108 not intend to change or delete any terms or provisions of the Existing Contract except as expressly set
109 forth in this Contract; and

110 [21st] WHEREAS, the United States has determined that the Contractor has fulfilled all of its
111 obligations under the Existing Contract; and

112 [22nd] WHEREAS, the United States and the Contractor agree that this Contract complies with
113 WIIN Act, Section 4011.

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

DEFINITIONS

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

121 (b) "Charges" shall mean the payments required by Federal Reclamation Law in
122 addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually by
123 the Contracting Officer pursuant to this Contract.:

129 (d) "Contractor's Service Area" shall mean all areas or locations within the Contract
130 Use Area that receive surface water service or commingled ground water and surface water service from
131 the Contractor. For the purposes of subdivisions (b)(1) and (b)(2) of Article 3, the Contractor's Service
132 Area shall include any area or location at which the Contractor intends to provide surface water service
133 or commingled ground water and surface water service in a Year for which a determination under
134 subdivisions (b)(1) or (b)(2) of Article 3 is made.

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

137 (f) Omitted;

138 (g) "Delivered Water" shall mean Project Water made available to the Contractor and
139 diverted at the point(s) of delivery approved by the Contracting Officer;

140 (h) "Irrigation Water" shall mean the use of Project Water to irrigate land primarily
141 for the production of commercial agricultural crops or livestock, and domestic and other uses that are
142 incidental thereto;

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

146 Water uses established before [effective date of Contract] and known to the Contracting
147 Officer and the Contractor are deemed to be authorized uses of M&I Water;;

148 (j) "M&I Full Cost Rate" shall mean the annual rate, which as determined by the
149 Secretary, shall amortize the expenditures for construction allocable to Project M&I facilities in service,
150 including all operation and maintenance (O&M), O&M deficits funded, less payments, over such
151 periods as may be required under Federal Reclamation law or applicable contract provisions, with
152 interest on both accruing from the dates such costs were first incurred plus the applicable rate for the
153 O&M of such Project facilities;

154 (k) "O&M" shall mean normal and reasonable care, control, operation, repair,
155 replacement, and maintenance of Project facilities;

156 (l) "Operating Non-Federal Entity" shall mean a Non-Federal entity which has the
157 obligation to operate and maintain all or that portion of the American River Division facilities utilized
158 for delivery of Project Water to the Contract or pursuant to an agreement with the United States;

161 (m) "Project" shall mean the Central Valley Project owned by the United States and
162 operated by the Department of the Interior, Bureau of Reclamation;

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

165 (o) "Project Water" shall mean all water that is developed, diverted, stored, or
166 delivered by the United States in accordance with the statutes authorizing the Project and in accordance
167 with the terms and conditions of applicable water rights' permits and licenses acquired by and/or issued
168 to the United States pursuant to California law;

169 (p) "Rates" shall mean the payments determined annually by the Contracting Officer
170 in accordance with the then current applicable water rate setting policies for the Project;

171 (q) "Secretary" or "Contracting Officer" shall mean the Secretary of the United States
172 Department of the Interior or his duly authorized representative;

173 (r) Omitted.

174 (s) "Year" shall mean the period from and including March 1 of each Calendar Year
175 through the last day of February of the following Calendar Year;

176 (t) "Additional Capital Obligation" shall mean construction costs or other capitalized
177 costs incurred after [effective date of Contract] or not reflected in the Existing Capital Obligation as
178 defined herein and in accordance with WIIN Act, Section 4011, subsection (a)(3)(B);

179 (u) "Existing Capital Obligation" shall mean the remaining amount of construction
180 costs or other capitalized costs allocable to the Contractor as described in Section 4011, subsection
181 (a)(3)(A) of the WIIN Act, and as identified in the Central Valley Project Irrigation Water Rates and/or
182 Municipal and Industrial Water Rates, respectively, dated Month/Day/Year [specify ratebook year for all

183 contractors.], as adjusted to reflect payments not reflected in such schedule. The Contracting Officer has
184 computed the Existing Capital Obligation and such amount is set forth in Exhibit C, which is
185 incorporated herein by reference; and

186 (v) "Repayment Obligation" shall mean the amount due and payable to the United
187 States, pursuant to Section 4011(a)(3)(A) of the WIIN Act; and

188 (w) "Condition of Shortage" shall mean a condition respecting the Project during any
189 Year such that the Contracting Officer is unable to deliver sufficient water to meet this Contract Total;
190 and

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

193 (y) "Tiered Pricing Component" shall be the incremental amount to be paid for each
194 acre-foot of Water Delivered as described in Article 7 of this Contract;

TERM OF CONTRACT – RIGHT TO USE WATER

196 2. (a) This Contract shall be effective [effective date] and shall continue so long as the
197 Contractor pays applicable Rates and Charges under this Contract, consistent with Section 9(d) or
198 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable law.

199 (1) Provided, That the Contracting Officer shall not seek to terminate this
200 Contract for failure to fully or timely pay applicable Rates and Charges by the Contractor, unless the
201 Contracting Officer has first provided at least sixty (60) calendar days written notice to the Contractor of
202 such failure to pay and Contractor has failed to cure such failure to pay, or to diligently commence and
203 maintain full curative payments satisfactory to the Contracting Officer within the sixty (60) calendar
204 days' notice period;

220 (c) Omitted.

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

WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

224 3. (a) Subject to the provisions set forth in Articles 3(b), 11, and 12 hereof, and
225 consistent with applicable State water rights, permits, and licenses, the Contractor is entitled to, and the
226 Contracting Officer shall be obligated to make available to the Contractor up to 7,000 acre-feet of

227 Project Water during any Year for municipal and industrial uses in the Contract Use Area. The quantity
228 of Project Water delivered to the Contractor in accordance with subdivision (a) of this Article in any
229 Year shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 hereof, and shall not
230 exceed the quantity of Project Water the Contractor intends to put to reasonable beneficial use within the
231 Contract Use Area, or sold, transferred, or exchanged, subject to Article 9, during any Year.

232 (b) (1) Notwithstanding the provisions of subdivision (a) of this Article, as
233 provided in Section 206(b)(l) of P. L. 101-514, the Contracting Officer shall determine, and annual
234 quantities of water delivered under this Contract shall be based upon, the quantity of water actually
235 needed within the Contractor's Service Area, after considering reasonable efforts to: (i) promote full
236 utilization of existing water entitlements within Sacramento County; (ii) implement water conservation
237 and metering programs within the area served by the Contract; and (iii) implement programs to
238 maximize to the extent feasible conjunctive use of surface water and ground water. The Contracting
239 Officer has reviewed the Final Needs Assessment Pertaining to the Sacramento County Water Agency
240 EIS/EIR for Water Supply Contracts under P. L. 101-514 Section 206 (Beak Consultants, Inc., January
241 1995) (Needs Analysis) and based on that analysis agrees (after considering reasonable efforts to:
242 promote full utilization of existing entitlements within Sacramento County; implement water
243 conservation and metering programs within the area served by the Contract; and implement programs to
244 maximize to the extent feasible the conjunctive use of surface water and ground water) that the quantity
245 of water actually needed by the Contractor within the Contract Use Area exceeds 7,000 acre-feet per
246 annum, although scheduled deliveries may be less than this amount until facilities are completed . The
247 Contractor shall, on or before November 1 of each Year or such other date as the Contractor and
248 Contracting Officer may agree, notify the Contracting Officer of the quantity of water the Contractor

249 believes will actually be needed in the Contractor's Service Area in the succeeding Year. Except as
250 provided in subdivision (b)(2) of this Article, the notice shall be accompanied by an analysis sufficient
251 to demonstrate the basis for the Contractor's notification. The Needs Analysis is sufficient to
252 demonstrate the basis for notification with respect to at least 7,000 acre-feet of water. The Contracting
253 Officer shall review the analysis provided by the Contractor based on any lawful M&I water needs
254 criteria that are then being applied to all CVP M&I contracts. The Contracting Officer shall notify the
255 Contractor in writing of the Contracting Officer's determination of the quantity of water actually needed
256 within the Contractor's Service Area for the following Year. If the determination is that the quantity
257 actually needed is less than the amount identified in the Contractor's notice, the notice of determination
258 from the Contracting Officer shall explain in detail the basis for the Contracting Officer's determination.
259 If the Contracting Officers written determination is not made within sixty (60) days after the receipt of
260 the notice, the Contractor may schedule the quantity of water specified in the notice subject to the
261 quantity of Project Water available pursuant to Articles 3(a), 4(a), 11, and 12.

262 (2) If the amount of water specified in the notice provided by the Contractor
263 under subdivision (b)(1) of this Article is less than or equal to the amount determined by the Contracting
264 Officer to have been actually needed for a Year prior to the Year for which the notice is submitted, the
265 Contracting Officer's determination shall be deemed to equal the amount specified in the notice:
266 Provided, That if within twenty (20) days of the receipt of the said notice, the Contracting Officer
267 notifies the Contractor in writing that the Contracting Officer has determined that substantial changes in
268 circumstances require the submittal of additional information by the Contractor and explains in detail the
269 basis for such determination, the Contractor shall submit the additional information within thirty (30)
270 days or other agreed period, and the procedures in subdivision (b)(1) of this Article apply.

271 (3) Omitted

272 (c) Contractor's compliance with Articles 6 and 23 shall be deemed conclusively to
273 constitute reasonable efforts to implement metering and conservation programs, respectively, within the
274 Contractor's Service Area.

279 (e) The Contractor shall make reasonable and beneficial use of Project Water or other
280 water furnished pursuant to this Contract. Use of Project Water in a ground-water recharge program
281 shall be permitted under this Contract to the extent that it is recognized as a reasonable and beneficial
282 use of water under California law and is otherwise carried out in accordance with California law.

283 (f) If the Contracting Officer determines that Project Water, or other water available
284 to the Project, can be made available to the Contractor in addition to the quantity of Project Water made
285 available to the Contractor pursuant to subdivision (a) of this Article, the Contracting Officer shall so
286 notify the Contractor. If the Contractor requests the delivery of any quantity of such water, the
287 Contracting Officer shall make such water available to the Contractor in accordance with applicable
288 statutes, regulations, guidelines, and policies.

289 (g) If the Contractor requests permission to reschedule for use during the subsequent
290 Year some or all of the Project Water made available to the Contractor during the current Year or to use,
291 during the current Year, that quantity of Project Water the United States has agreed to make available to

292 the Contractor during the subsequent Year, the Contracting Officer may permit such uses in accordance
293 with applicable statutes, regulations, guidelines, and policies.

294 (h) The Contractor's right pursuant to Federal Reclamation law and applicable State
295 law to the beneficial use of water furnished pursuant to this Contract shall not be disturbed, and this
296 Contract shall continue so long as the Contractor pays applicable Rates and Charges under this Contract
297 consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195), and P.L. 101-514,
298 as applicable, and applicable law. Nothing in the preceding sentence shall affect the Contracting
299 Officer's ability to impose shortages under Article 11 and subdivision (b) of Article 12 of this Contract.

300 (i) Notwithstanding subdivision (a) of this Article, Project Water furnished to the
301 Contractor pursuant to this Contract may be delivered for purposes other than for municipal and
302 industrial purposes upon written approval by the Contracting Officer in accordance with the terms and
303 conditions of such approval.

304 TIME FOR DELIVERY OF WATER

305 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer shall
306 declare the amount of Project Water estimated to be made available to the Contractor pursuant to this
307 Contract for the upcoming Year. The declaration will be updated monthly, as necessary, based on
308 current hydrologic conditions. The Contracting Officer shall make available the forecast of Project
309 operations, with relevant supporting information, upon the written request of the Contractor or its
310 representatives. Upon written request of the Contractor, the Contracting Officer shall provide the basis
311 of the estimate, which shall include, but not be limited to, the projected carryover of Project reservoirs,
312 projected CVPIA impacts, projected Endangered Species Act impacts, and all other regulatory impacts.

313 (b) On or before each March 1, the Contractor shall submit to the Contracting Officer
314 and at such other times as necessary, a written schedule, satisfactory to the Contracting Officer, showing
315 the times and the estimated quantities of Project Water to be delivered by the United States to the
316 Contractor.

317 (c) Subject to the conditions set forth in subdivision (a) of Article 3, the United States
318 shall deliver Project Water to the Contractor in accordance with the initial schedule submitted by the
319 Contractor pursuant to subdivision (b) of this Article, or any revision(s) thereto submitted within a
320 reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

POINT OF DELIVERY AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

322 5. (a) Project Water shall be made available to the Contractor, directly from Folsom
323 Reservoir via the pipeline through Folsom Dam. The point of delivery will be the Folsom Valve Pit
324 located at 38°42'09.43" N, 121°09'15.86" W, or other points of delivery requested in writing by the City
325 and approved in writing by the Contracting Officer, without an amendment to this Contract.

326 (b) The Contracting Officer shall make all reasonable efforts to maintain sufficient
327 flows to the authorized points of delivery to allow the Contractor to meet the demands of the
328 Contractor's customers.

329 (c) Omitted

330 (d) Project Water delivered to the Contractor pursuant to this Contract, and other
331 water to which the Contractor is entitled that is diverted at the same point of delivery, shall be measured
332 and recorded with equipment furnished, installed, operated, and maintained by the Contractor at the
333 point or points of delivery established pursuant to subdivision (a) of this Article. Provided, That if the
334 Project Water delivered pursuant to this Contract is diverted at a location or in a manner so as to be

335 commingled with water diverted by any other entity, the point of measurement for Project Water
336 delivered to the Contractor shall be a location at which Project Water diverted for Contractor's use can
337 be measured separately from water diverted by any such entity or entities. Upon the request of the
338 Contracting Officer or the responsible Operating Non-Federal Entity, the Contractor shall investigate the
339 accuracy of such measurements and shall take any necessary steps to adjust any errors appearing therein.

340 (e) The Contractor shall advise the Contracting Officer on or before the tenth
341 calendar day of each month of the daily quantities of Delivered Water taken during the preceding month
342 measured and recorded in accordance with subdivision (d) of this Article.

343 (f) Neither the United States nor any Operating Non-Federal Entity shall be
344 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water made
345 available to the Contractor pursuant to this Contract beyond the delivery points specified in subdivision
346 (a) of this Article. The Contractor shall indemnify the United States its officers, employees, agents, and
347 assigns on account of damage or claim of damage of any nature whatsoever for which there is legal
348 responsibility, including property damage, personal injury, or death arising out of or connected with the
349 control, carriage, handling, use, disposal, or distribution of such Project Water beyond such delivery
350 points, except for any damage or claim arising out of acts performed by the United States or any of its
351 officers, employees, agents, or assigns, including any responsible Operating Non-Federal Entity, with
352 the intent of creating the situation resulting in any damage or claim; (ii) willful misconduct of the United
353 States or any of its officers, employees, agents, or assigns, including any responsible Operating Non-
354 Federal Entity; or (iii) negligence of the United States or any of its officers, employees, agents, or
355 assigns, including any responsible Operating Non-Federal Entity.

356

MEASUREMENT OF WATER

357 6. (a) Within five (5) Years of the effective date of this Contract, the Contractor shall
358 ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the
359 Contracting Officer, all surface water delivered for municipal and industrial purposes within the
360 Contractor's Service Area is measured at each municipal and industrial service connection. All water
361 measuring devices or water measuring methods of comparable effectiveness must be acceptable to the
362 Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and
363 repairing all such measuring devices and implementing all such water measuring methods at no cost to
364 the United States. The Contractor shall use the information obtained from such water measuring devices
365 or water measuring methods to ensure proper management of the water; to bill water users for water
366 delivered by the Contractor; and, if applicable, to record water delivered for municipal and industrial
367 purposes by customer class as defined in its water conservation plan. Nothing herein contained,
368 however, shall preclude the Contractor from establishing and collecting any charges, assessments, or
369 other revenues authorized by California law. The Contractor shall include a summary of its annual
370 surface water deliveries in the annual report described in subdivision (c) of Article 23.

371 (b) To the extent the information has not otherwise been provided, upon execution of
372 this Contract, the Contractor shall provide to the Contracting Officer a written report describing the
373 measurement devices or water measuring methods used or to be used to implement subdivision (a) of
374 this Article and identifying the municipal and industrial service connections or alternative measurement
375 programs approved by the Contracting Officer, at which such measurement devices or water measuring
376 methods are being used, and, if applicable, identifying the locations at which such devices and/or
377 methods are not yet being used including a time schedule for implementation at such locations. The

378 Contracting Officer shall advise the Contractor in writing within ninety (90) days as to the adequacy of,
379 and necessary modifications, if any, of the measuring devices or water measuring methods identified in
380 the Contractor's report and if the Contracting Officer does not respond in such time, they shall be
381 deemed adequate. Within six (6) months following the Contracting Officer's response, the parties shall
382 negotiate in good faith the earliest practicable date by which the Contractor shall modify said measuring
383 devices and/or measuring methods as required by the Contracting Officer to ensure compliance with
384 subdivision (a) of this Article.

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

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

391 **RATES, METHOD OF PAYMENT FOR WATER,**
392 **AND ACCELERATED REPAYMENT OF FACILITIES**

393 7. (a) Notwithstanding the Contractor's full prepayment of the Repayment Obligation
394 pursuant to Section 4011, subsection (a)(3)(A) of the WIIN Act, as set forth in Exhibit C, and any
395 payments required pursuant to Section 4011, subsection (b) of the WIIN Act, to reflect the adjustment
396 for the final cost allocation as described in this Article, subsection (b), the Contractor's Project
397 construction and other cost obligations shall be determined in accordance with: (i) the Secretary's
398 ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's then-existing ratesetting
399 policy for M&I Water, consistent with the WIIN Act, and such ratesetting policies shall be amended,
400

401 modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal
402 Reclamation law and associated rules and regulations, or policies; and (iii) other applicable provisions of
403 this Contract. Payments shall be made by cash transaction, electronic funds transfer, or any other
404 mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates,
405 Charges, and Tiered Pricing Component applicable to the Contractor upon execution of this Contract are
406 set forth in Exhibit "A," as may be revised annually.

407 (1) The Contractor shall pay the United States as provided for in this Article
408 of this Contract for all Delivered Water at Rates, Charges and Tiered Pricing Component in accordance
409 with policies for M&I Water. The Contractor's Rates shall be established to recover its estimated
410 reimbursable costs included in the operation & maintenance component of the Rate and amounts
411 established to recover deficits and other charges, if any, including construction costs as identified in the
412 following subdivisions.

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

415 (A) The amount due and payable to the United States, pursuant to the
416 WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been computed by the
417 Contracting Officer in a manner consistent with the WIIN Act and is set forth as a lump sum payment as
418 set forth in Exhibit C. The Repayment Obligation is due in lump sum within 60 days of the effective
419 date of this Amendment as provided by the WIIN Act. Notwithstanding any Additional Capital
420 Obligation that may later be established, receipt of the Contractor's payment of the Repayment
421 Obligation to the United States shall fully and permanently satisfy the Existing Capital Obligation.

422 (B) Additional Capital Obligations that are not reflected in the
423 schedules referenced in Exhibit C and are properly assignable to the Contractor shall be repaid as
424 prescribed by the WIIN Act without interest except as required by law. Consistent with Federal
425 Reclamation law, interest shall continue to accrue on the M&I portion of the Additional Capital
426 Obligation assigned to the Contractor until such costs are paid. Increases or decreases in the Additional
427 Capital Obligation assigned to the Contractor caused solely by annual adjustment of the Additional
428 Capital Obligation assigned to each Project Contractor by the Secretary shall not be considered in
429 determining the amounts to be paid pursuant to this subdivision (a)(2)(B), however, such increases or
430 decreases will be considered under subdivision (b) of this Article. A separate agreement shall be
431 established by the Contractor and the Contracting Officer to accomplish repayment of the Additional
432 Capital Obligation assigned to the Contractor within the timeframe prescribed by the WIIN Act, subject
433 to the following:

440 (2) If the collective Additional Capital Obligation properly
441 assignable to the contractors exercising conversion under Section 4011 of the WIIN Act is equal to or
442 greater than five million dollars (\$5,000,000), then the portion of such costs properly assignable to the
443 Contractor shall be repaid as provided by applicable Federal Reclamation law and Project ratesetting

444 policy; Provided, That the reference to the amount of five million dollars (\$5,000,000) shall not be a
445 precedent in any other context.

446 (b) In the event that the final cost allocation referenced in Section 4011(b) of the
447 WIIN Act determines that the costs properly assignable to the Contractor are greater than what has been
448 paid by the Contractor, the Contractor shall be obligated to pay the remaining allocated costs. The term
449 of such additional repayment contract shall be not less than one (1) year and not more than ten (10)
450 years, however, mutually agreeable provisions regarding the rate of repayment of such amount may be
451 developed by the Contractor and Contracting Officer. In the event that the final cost allocation indicates
452 that the costs properly assignable to the Contractor are less than what the Contractor has paid, the
453 Contracting Officer shall credit such overpayment as an offset against any outstanding or future
454 obligations of the Contractor, with the exception of Restoration Fund charges pursuant to Section
455 3407(d) of Public Law 102-575.

456 (c) If the amount of Delivered Water is less than or equal to eighty (80%) percent of
457 the Contractor's maximum contractual entitlement to Project Water pursuant to subdivision (a) of Article
458 3, then payment for all Delivered Water shall be at the applicable Rates specified in Exhibit A. If the
459 amount of Delivered Water exceeds eighty (80%) percent of the Contractor's maximum contractual
460 entitlement to Project Water pursuant to subdivision (a) of Article 3, then payment for that amount of
461 Delivered Water, which equals eighty (80%) percent of the maximum contractual entitlement shall be at
462 the applicable Rates specified in Exhibit A, but the payment for the increment of Delivered Water,
463 which is in excess of eighty (80%) percent of the maximum contractual entitlement, shall be at the
464 applicable Tiered Pricing Component as follows:

465 (1) When the total amount of Delivered Water exceeds eighty (80%) percent

466 of the maximum contractual entitlement, then the increment in excess of eighty (80%) percent, but less
467 than or equal to ninety (90%) percent, shall be paid for by the Contractor at a rate equal to the average of
468 the applicable Rate and the M&I Full Cost Rate; and

469 (2) When the total amount of Delivered Water exceeds ninety (90%) percent
470 of the maximum contractual entitlement, then the increment in excess of ninety (90%) percent shall be
471 paid for by the Contractor at the M&I Full Cost Rate.

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

474 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall
475 provide the Contractor the preliminary calculation of the Charges that will be applied for the period
476 October 1, of the current Calendar Year, through September 30, of the following Calendar Year, and
477 identify the statutes, regulations, and guidelines used as the basis for such calculations. On or before
478 September 15, of each Calendar Year, the Contracting Officer shall notify the Contractor in writing of
479 the Charges to be in effect during the period October 1, of the current Calendar Year, through September
480 30, of the following Calendar Year, and such notification shall revise Exhibit "A"; and

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

488 (e) At the time the Contractor submits the initial schedule for the delivery of Project
489 Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the Contractor shall pay
490 the United States the total amount payable pursuant to the applicable Rate(s) for all Project Water
491 scheduled to be delivered pursuant to this Contract during the first two (2) calendar months of the Year.
492 Before the end of the first month or part thereof of the Year, and before the end of each calendar month
493 thereafter, the Contractor shall pay pursuant to the applicable Rate(s) for all Project Water scheduled to
494 be delivered pursuant to this Contract during the second month immediately following. Adjustments
495 between the payments for the scheduled amount of Project Water and the appropriate payments for
496 quantities of Delivered Water furnished pursuant to this Contract each month shall be made before the
497 end of the following month and may be reflected in the payments made during the following month:
498 Provided, That any revised schedule submitted by the Contractor pursuant to Article 4 that increases the
499 amount of Project Water to be delivered pursuant to this Contract during any month shall be
500 accompanied with appropriate payment for Rates to assure that Project Water is not furnished to the
501 Contractor in advance of such payment. In any month in which the quantity of Delivered Water
502 furnished to the Contractor pursuant to this Contract equals the quantity of Project Water scheduled and
503 paid for by the Contractor, no additional Project Water shall be made available to the Contractor unless
504 and until payment of Rates for such additional Project Water is made. Final adjustment between the
505 payments of Rates for the Project Water scheduled and the quantities of Delivered Water furnished
506 during each Year pursuant to this Contract shall be made as soon as possible, but no later than April 30
507 of the following Year.

508 (f) The Contractor shall pay all Charges and the appropriate Tiered Pricing
509 Component owing for Delivered Water before the end of the month following the month of delivery.

510 Such amounts shall be consistent with the quantities of M&I Water shown in the United States' water
511 delivery report for the subject month. The water delivery report shall be regarded by the Contractor as a
512 bill for the payment of appropriate Charges and the applicable Tiered Pricing Component for Delivered
513 Water. Any monthly adjustment for overpayment or underpayment of Charges shall be accomplished
514 through the adjustment of Charges due to the United States in the next month. By March 31 of each
515 Year, the Contractor shall make any additional payment of Charges and the Tiered Pricing Component it
516 is obligated to make for Delivered Water furnished to the Contractor pursuant to this Contract for the
517 previous Year. The amount to be paid for past due payment of Charges and the Tiered Pricing
518 Component shall be computed pursuant to Article 18 of this Contract.

519 (g) The Contractor shall pay for any Project Water provided under subdivision (f) of
520 Article 3 as determined by the Contracting Officer pursuant to applicable statutes, regulations,
521 guidelines, and policies.

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

524 (i) Revenues received by the United States pursuant to this Contract shall be
525 allocated and applied in accordance with the Federal Reclamation law, including but not limited to
526 subsection (f) of Section 3405 and subsection (d)(2)(A) of Section 3407 of the CVPIA, and the
527 associated regulations, including but not limited to, the Project M&I ratesetting policy promulgated
528 pursuant to the Administrative Procedure Act.

529 (j) At the Contractor's request, the Contracting Officer shall provide to the
530 Contractor an accounting of all of the expenses allocated and the disposition of all revenues received
531 pursuant to this Contract in sufficient detail to allow the Contractor to determine that the allocation

532 of expenses and disposition of all revenues received was accomplished in conformance with Federal
533 Reclamation law and the associated regulations. The Contracting Officer and the Contractor shall enter
534 into good faith negotiations to resolve any discrepancies or disputes arising out of said accounting of
535 the Contractor's review thereof.

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

543 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICIT

544 8. The Contractor and the Contracting Officer concur that, at the time of the execution of
545 this Contract, the Contractor has no non-interest bearing operation and maintenance deficit or other
546 deficit of any kind.

547 TRANSFERS OR EXCHANGES OF WATER

548 9. (a) Project Water made available under this Contract shall not be sold, transferred,
549 or exchanged to others outside the County of Sacramento.

550 (b) The parties agree that the lack of acknowledgment in this Contract by the
551 Contracting Officer as to which county, watershed, or other area of origin, as those terms are utilized
552 under California law, the Contractor lies within, if any, does not constitute, and shall not be construed as
553 constituting : (i) a determination by the Contracting Officer as to the applicability or non-applicability of

554 Section 3405(a)(1)(M) of the CVPIA to the Contractor as a transferor or transferee of Project Water;
555 (ii) an agreement or admission by the Contractor that the said section does not apply to it; or (iii) an
556 agreement or admission by the Contractor that it does or does not lie within any given county,
557 watershed, or area of origin, as those terms are utilized under California law.

558 APPLICATION OF PAYMENTS AND ADJUSTMENTS

559 10. (a) The amount of any overpayment by the Contractor shall be applied first to any
560 accrued indebtedness arising out of this Contract then due and payable by the Contractor. Any amount
561 of such overpayment then remaining shall, at the option of the Contractor, be refunded to the Contractor
562 or credited upon amounts to become due to the United States from the Contractor under the provisions
563 hereof in the following months. With respect to overpayment, such adjustment shall constitute the sole
564 remedy of the Contractor or anyone having or claiming to have the right to the use of any of the water
565 supply provided for herein.

566 (b) All advances for miscellaneous costs incurred for work requested by the
567 Contractor pursuant to Article 22 shall be adjusted to reflect the actual costs when the work has been
568 completed. If the advances exceed the actual costs incurred, the difference will be refunded to the
569 Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the
570 additional costs pursuant to Article 22.

571 TEMPORARY REDUCTIONS-RETURN FLOWS

572 11. (a) Subject to: (i) the authorized purposes and priorities of the Project; and (ii) the
573 obligations of the United States under existing contracts, or renewals thereof, providing for water
574 deliveries from the Project, the Contracting Officer shall make all reasonable efforts to optimize Project
575 Water deliveries to the Contractor as provided in this Contract.

WATER SHORTAGE AND APPORTIONMENT

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

600

601 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting or
602 other similar operational errors affecting the Project, drought and other physical or natural causes
603 beyond the control of the Contracting Officer, or actions taken by the Contracting Officer to meet
604 current and future legal obligations, then, except as provided in subdivision (a) of Article 17 of this
605 Contract, no liability shall accrue against the United States or any of its officers, agents, or employees
606 for any damage, direct or indirect, arising therefrom.

607

608 (c) In any Year in which there may occur a shortage for any of the reasons
609 specified in subdivision (b) of this Article, the Contracting Officer shall apportion the available
610 Project Water supply among the Contractor and others entitled, under existing contracts and future
611 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of Section 3404
612 of the CVPIA) and renewals thereof, to receive Project Water consistent with the contractual
613 obligations of the United States.

614

615

ARTICLE 13

616

13. Omitted.

617

RULES, REGULATIONS, AND DETERMINATIONS

618

619 14. (a) The parties agree that the delivery of water or the use of Federal facilities
620 pursuant to this contract is subject to Federal reclamation law, as amended and supplemented, and the
621 rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

622

623 (b) The Contracting Officer shall have the right to make determinations necessary to
624 administer this contract that are consistent with its expressed and implied provisions, the laws of the
625 United States and the State of California, and the rules and regulations promulgated by the Secretary of
626 the Interior. Such determinations shall be made in consultation with the Contractor.

627

PROTECTION OF WATER AND AIR QUALITY

628

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

634

635 (b) The Contractor will comply with all applicable water and air pollution laws and
636 regulations of the United States and the State of California, and will obtain all required permits or
637 licenses from the appropriate Federal, State, or local authorities necessary for the delivery of water by
638 the Contractor; and shall 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

639 Federal or Contractor facilities or Project Water provided by the Contractor within its Project Water
640 Service Area.

641

642 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN
643 FROM THE UNITED STATES

644 16. Water or water rights now owned, or hereafter acquired by the Contractor or
645 Subcontractor, other than from the United States, may be simultaneously transported through the same
646 distribution facilities of the Contractor.

647 OPINIONS AND DETERMINATIONS

648 17. (a) Where the terms of this Contract provide for actions to be based upon the opinion
649 or determination of either party to this Contract, said terms shall not be construed as permitting such
650 action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both
651 parties, notwithstanding any other provisions of this Contract, expressly reserve the right to seek relief
652 from and appropriate adjustment, including monetary damages, for any such arbitrary, capricious, or
653 unreasonable opinion or determination. Each opinion or determination by either party shall be provided
654 in a timely manner.

655 CHARGES FOR DELINQUENT PAYMENTS

656 18. (a) The Contractor shall be subject to interest, administrative, and penalty charges on
657 delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest
658 charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a
659 payment becomes 60 days delinquent, the Contractor shall pay, in addition to the interest charge, an
660 administrative charge to cover additional costs of billing and processing the delinquent payment. If a
661 payment is delinquent 90 days or more, the Contractor shall pay, in addition to the interest and
662 administrative charges, a penalty charge for each day the payment is delinquent beyond the due date,
663 based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor
664 shall also pay any fees incurred for debt collection services associated with a delinquent payment.

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

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

672 EQUAL EMPLOYMENT OPPORTUNITY

673 19. During the performance of this Contract, the Contractor agrees as follows:

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

684 (b) The Contractor will, in all solicitations or advertisements for employees placed by
685 or on behalf of the Contractor, state that all qualified applicants will receive consideration for
686 employment without discrimination because of race, color, religion, sex, sexual orientation, gender
687 identity, or national origin.

688 (c) The Contractor will not discharge or in any other manner discriminate against any
689 employee or applicant for employment because such employee or applicant has inquired about,
690 discussed, or disclosed the compensation of the employee or applicant or another employee or applicant.
691 This provision shall not apply to instances in which an employee who has access to the compensation
692 information of other employees or applicant as part of such employee's essential job functions discloses
693 the compensation of such other employees or applicants to individuals who do not otherwise have access
694 to such information unless such disclosure is in response to a formal complaint or charge, in furtherance
695 of an investigation, proceeding, hearing, or action, including an investigation conducted by the
696 employer, or is consistent with the contractor's legal duty to furnish information.

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

704 (e) The Contractor will comply with all provisions of Executive Order No. 11246 of
705 September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of
706 Labor.

707 (f) The Contractor will furnish all information and reports required by amended
708 Executive Order No. 11246 of September 24, 1965 and by the rules, regulations, and orders of the
709 Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the
710 Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance
711 with such rules, regulations, and orders.

712 (g) In the event of the Contractor's noncompliance with the nondiscrimination clauses
713 of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled,
714 terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further
715 Government contracts in accordance with procedures authorized in amended Executive Order No.
716 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as
717 provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the
718 Secretary of Labor, or as otherwise provided by law.

719 (h) The Contractor will include the provisions of paragraphs (a) through (h) in every
720 subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of
721 Labor issued pursuant to Section 204 of amended Executive Order No. 11246 of September 24, 1965, so
722 that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such
723 action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as
724 a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that
725 in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor
726 or vendor as a result of such direction, the Contractor may request the United States to enter into such
727 litigation to protect the interests of the United States.

**OBLIGATION TO PAY—BENEFITS
CONDITIONED UPON PAYMENT**

730 20. (a) The obligation of the Contractor to pay the United States as provided in this
731 Contract is an obligation of the Contractor notwithstanding the manner in which the obligation may be
732 distributed among the Contractor's water users and notwithstanding the default of individual water users
733 in their obligations to the Contractor.

741 COMPLIANCE WITH CIVIL RIGHTS LAWS
742 AND REGULATIONS

743 21. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
744 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
745 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III;
746 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42
747 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the applicable
748 implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or
749 Bureau of Reclamation.

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

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

763
764 (d) Complaints of discrimination against the Contractor shall be investigated by the
765 Contracting Officer's Office of Civil Rights.

766 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

767 22. In addition to all other payments to be made by the Contractor pursuant to this Contract,
768 the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill and detailed
769 statement submitted by the Contracting Officer to the Contractor for such specific items of direct cost
770 incurred by the United States for work requested by the Contractor associated with this Contract plus
771 a percentage of such direct costs for administrative and general overhead in accordance with applicable
772 Bureau of Reclamation policy and procedures. All such amounts referred to in this Article shall not

773 exceed the amount agreed to in writing in advance by the Contractor. This Article shall not apply to
774 costs for routine contract administration.

775 WATER CONSERVATION

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

780
781 Additionally, an effective water conservation and efficiency program shall be based on
782 the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the
783 conservation and efficiency criteria for evaluating water conservation plans established under Federal
784 law. In the event the Contractor's water conservation plan has not yet been determined by the
785 Contracting Officer to meet such criteria, due to circumstances that the Contracting Officer determines
786 are beyond the control of the Contractor, Project Water deliveries shall be made under this Contract so
787 long as the Contractor diligently works with the Contracting Officer to obtain such determination at the
788 earliest practicable date, and thereafter the Contractor immediately begins implementing its water
789 conservation program in accordance with the time schedules therein. The water conservation program
790 shall contain definite water conservation objectives, appropriate economically feasible water
791 conservation measures, and time schedules for meeting those objectives.

792 (b) Should the amount of M&I water delivered pursuant to subdivision (a) of
793 Article 3 of this Contract equal or exceed two thousand (2,000) acre-feet per Year, the Contractor
794 shall implement the Best Management Practices identified by and the time frames issued by the
795 Mid-Pacific Region's then-existing conservation and efficiency criteria for such M&I Water, unless any
796 such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

797 (c) The Contractor shall submit to the Contracting Officer, by December 31 of each
798 Calendar Year, an annual report on the status of its implementation of the water conservation program.

EXISTING OR ACQUIRED WATER OR WATER RIGHTS

807 24. (a) Except as specifically provided in Articles 5 and 16 of this Contract, the
808 provisions of this Contract shall not be applicable to or affect water or water rights now owned or
809 hereafter acquired by the Contractor or any user of such water within the Contract Use Area from other
810 than the United States. Any such water shall not be considered Project Water under this Contract. In
811 addition, this Contract shall not be construed as limiting or curtailing any rights that the Contractor or
812 any water user within the Contract Use Area acquires or has available under any other contract pursuant
813 to Federal Reclamation law.

OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

815 25. (a) The operation and/or maintenance of all or any portion or portions of the Project
816 facilities may be transferred to the Operating-Non-Federal Entity by separate agreement between the
817 United States and the Operating Non-Federal Entity. Any such separate agreements shall not interfere
818 with the rights or obligations of the Contractor or the United States hereunder.

819 (b) If so notified in writing by the Contracting Officer, the Contractor shall pay
820 directly to such Operating Non-Federal Entity in accordance with such notice its allocated share of all
821 charges for the operation and maintenance of the American River Division facilities operated and/or
822 maintained by the Operating Non-Federal Entity, all in compliance with all provisions of Article 7
823 hereof: Provided, That this shall not relieve the Contractor of its obligation to pay directly to the
824 United States for its allocated share of the Project construction costs and its allocated share of the
825 remaining operation and maintenance costs for the Project.

826 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

832 BOOKS, RECORDS, AND REPORTS

833 27. The Contractor shall establish and maintain accounts and other books and records
834 pertaining to administration of the terms and conditions of this Contract, including: the Contractor's
835 financial transactions, water supply data, and project operation, maintenance, and replacement logs;
836 project land and rights-of-way use agreements; the water users' land-use (crop census), land ownership,
837 land-leasing, and water use data; and other matters that the Contracting Officer may require. Reports
838 shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting
839 Officer may require. Subject to applicable Federal laws and regulations, each party to this Contract shall
840 have the right during office hours to examine and make copies of the other party's books and records
841 relating to matters covered by this Contract.

842 ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

843 28. (a) The provisions of this Contract shall apply to and bind the successors and assigns
844 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein by
845 either party shall be valid until approved in writing by the other party.

846 (b) The assignment of any right or interest in this Contract by either party shall not

interfere with the rights or obligations of the other party to this Contract absent the written concurrence of said other party.

SEVERABILITY

29. In the event that an action is brought in a court of competent jurisdiction by a person or entity other than the Contractor challenging the legality or enforceability of a provision included in this Contract and a final court decision is issued holding that such provision is legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiffs), the parties to this Contract shall use their best efforts to (i) within thirty (30) days of the date of such final court decision identify by mutual agreement the provisions in this Contract that must be revised; and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time periods specified above may be extended by mutual agreement of the parties. Pending the completion of the actions designated above, to the extent it can do so without violating any applicable provisions of law, the United States shall continue to make the quantities of Project Water specified in this Contract available to the Contractor pursuant to the provisions of this Contract that were not found to be legally invalid or unenforceable in the final court decision.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to 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.

CHANGES IN CONTRACTOR'S SERVICE AREA OR ORGANIZATION

31. While this Contract is in effect, no change may be made in the Contractor's Service Area or 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.

869

NOTICES

870 32. Any notice, demand, or, request authorized or required by this Contract shall be deemed
871 to have been given, to the United States, when mailed, postage prepaid, or delivered to Area Manager,
872 Bureau of Reclamation, 7794 Folsom Dam Road, Folsom CA 95630-1799, and to the Contractor, when
873 mailed, postage prepaid, or delivered to City Manager, City of Folsom, 50 Natoma Street, Folsom,
874 California 95630. The designation of the-addressee or the address may be changed by notice given in
875 the same manner as provided in this Article for other notices.

CERTIFICATION OF NONSEGREGATED FACILITIES

33. Omitted

MEDIUM FOR TRANSMITTING PAYMENTS

34. (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.

(b) 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.

CONTRACT DRAFTING CONSIDERATIONS

35. 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.

CONFIRMATION OF CONTRACT

36. Omitted

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

878 THE UNITED STATES OF AMERICA

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

882 CITY OF FOLSOM

883 By: _____
884 City Manager, City of Folsom
885 A California municipal corporation

886
887 Approved as to content:

By: Director of Environmental and
Water Resources,
City of Folsom

895 Approved as to form:

899 By: _____
900 City Attorney,
901 City of Folsom
902

903
904
905 Attest:
906
907
908
909 By: _____
910 City Clerk,
911 City of Folsom
912
913
914
915

Exhibit A
CITY OF FOLSOM
2019 Rates and Charges
Folsom Dam and Reservoir (Per Acre-Foot)

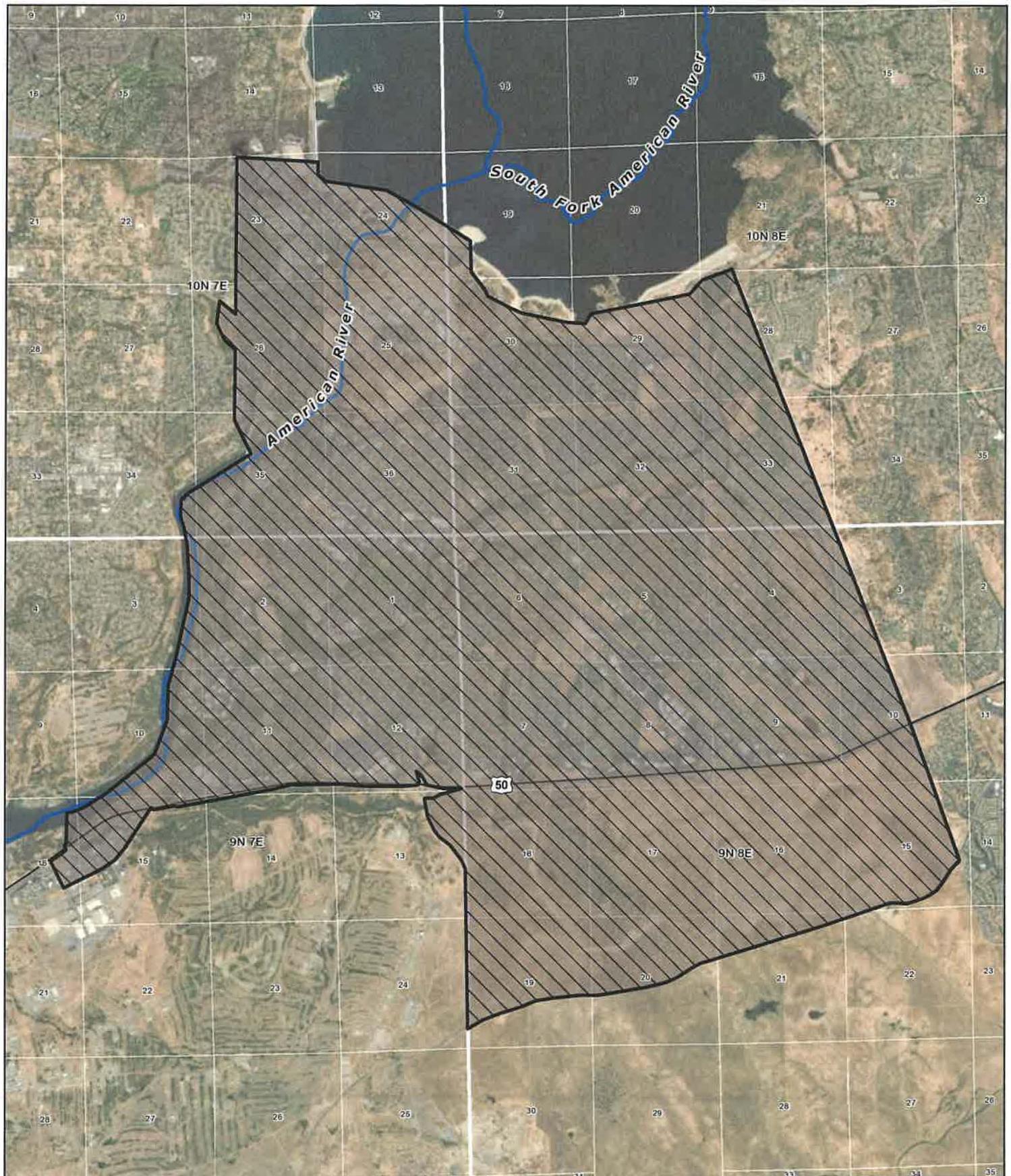
	M&I Water
COST-OF-SERVICE (COS) RATE	
Construction Component	\$4.55
O&M Component	\$7.34
Water Marketing	\$15.90
Storage	\$0.00
Deficit Cost Component	\$27.79
TOTAL COS RATE	\$29.26
M&I FULL COST RATE	
TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)	
M&I	
<i>Tier 2 Rate : >80% <=90% of Contract Total</i> <i>[M&I Full Cost Rate - M&I COS Rate]/2</i> <i>(Amount to be Added to Tier 1 Rate)</i>	\$0.74
<i>Tier 3 Rate : >90% of Contract Total</i> <i>[M&I Full Cost Rate - M&I COS Rate]</i> <i>(Amount to Be Added to Tier 1 Rate)</i>	\$1.47
CHARGES AND ASSESSMENTS (Payments in Addition to Rates)	
P.L. 102-575 Surcharges (Restoration Fund Payments)¹ [Section 3407(d)(2)(A)]	\$21.26
P.L. 106-377 Assessment (Trinity Public Utilities District)² [Appendix B, Section 203]	\$0.30

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 applicable to each acre-foot of water delivered from 3/1/2019-2/28/2020 and is adjusted annually.

The Historical Use, as defined in the CVP M&I Water Shortage Policy, is TBD acre-feet.

This Exhibit template is unchanged from existing Contract and is updated annually. Rate Schedules may be found at:
<https://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>



District Boundary
 Contractor's Service Area

City of Folsom

Contract No. 6-07-20-W1372B

EXHIBIT A

RECLAMATION
Managing Water in the West

Exhibit C

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

Unpaid Construction Cost from the 2020 Water Rate Books*		
Contractor:	City of Folsom	
Facility:	Folsom D&R	
Contract:	6-07-20-W137B	
Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ -	-
2019 Repayment (Estimate) **	\$ -	-
Adjusted Construction Cost (Excludes Intertie):	<hr/> \$ -	<hr/> -
Intertie Construction Cost:	\$ -	\$ -
Total	<hr/> \$ -	<hr/> \$ -
If Paid in Installments (Used 20 yr CMT)		
Due		
Payment 1 N/A	\$ -	-
Payment 2 N/A	\$ -	-
Payment 3 N/A	\$ -	-
Payment 4 N/A	\$ -	-
Total Installment Payments	<hr/> \$ -	<hr/> -
20 yr CMT Rates		N/A
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		N/A

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)		
	Unpaid Cost	
Construction Cost:	\$ 198,951	
2019 Repayment (Estimate) **	\$ 16,289	
Adjusted Construction Cost***:	<hr/> \$ 182,662	

Calculation Support: Irrigation Lump Sum or First Payment Due Date N/A
 Days Until the End of the Fiscal Year N/A

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	
2020 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031-63 Total, Lump Sum Payment	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -

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

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

** 2019 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.

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