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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

LOWER COLORADO WATER SUPPLY PROJECT

CONTRACT BETWEEN THE UNITED STATES AND IMPERIAL IRRIGATION DISTRICT
FOR ADMINISTRATION AND OPERATION, MAINTENANCE, AND REPLACEMENT
OF THE LOWER COLORADO WATER SUPPLY PROJECT

1. PREAMBLE: THIS CONTRACT, made this 13th day of October, 1995,
pursuant to the Act of Congress enacted June 17, 1902 (32 Stat. 388), and Acts
amendatory thereof or supplementary thereto, all of which are commonly known and
referred to as the Federal Reclamation laws, and particularly pursuant to the
Lower Colorado Water Supply Act enacted November 14, 1986 (100 Stat. 3665), and
the Boulder Canyon Project Act enacted December 21, 1928 (45 Stat. 1057), between
the UNITED STATES OF AMERICA, hereinafter called the "United States," and the
IMPERIAL IRRIGATION DISTRICT, hereinafter called "IID," an irrigation district
created, organized, and existing under and by virtue of the laws of the State of
California, with its principal place of business at El Centro, Imperial County,
California; the United States and IID are each individually sometimes hereinafter
called "Party," and both are sometimes collectively hereinafter called "Parties";
WITNESSETH THAT:

2. EXPLANATORY RECITALS:

2.1 WHEREAS, a planning document entitled "Lower Colorado Water Supply
Study Planning Report/Environmental Assessment" and a Finding of No Significant
Impact, FONSI No. LC-85-5, dated July 1986, were prepared by the Bureau of
Reclamation and submitted to the Congress;

2.2 WHEREAS, based upon the planning document, the Lower Colorado Water Supply Act enacted November 14, 1986, hereinafter called "Act," authorized the Secretary to construct a well field with sufficient capacity to annually supply up to 10,000 acre-feet of water to benefit persons or entities described in section 2(b) of the Act and to operate and maintain said well field;

2.3 WHEREAS, in accordance with the Act, the cost for the United States to construct the well field and the costs to operate, maintain, and replace the Project well field facilities will be borne by the Project Water Users;

2.4 WHEREAS, in accordance with the Act, the United States, IID, and the Coachella Valley Water District (CVWD) executed water exchange contract No. 2-07-30-W0277 dated May 22, 1992, which provides that an equivalent quantity of ground water pumped from the well field constructed by the United States will be delivered into the All-American Canal in exchange for Colorado River water diverted by Project Water Users and which otherwise would have been delivered to IID and CVWD pursuant to their respective Colorado River rights;

2.5 WHEREAS, in accordance with the Act, the water exchange contract provides that if the annual overall quality of the Project well field water at the delivery point(s) would be better than or the same as the quality of the Colorado River water at the diversion point above Imperial Dam, the Exchange Water would be deemed to be acceptable pursuant to the terms and conditions of the water exchange contract;

2.6 WHEREAS, the Act authorized the Secretary to contract with a non-Federal entity for the care, operation, and maintenance of all or any part of the Project well field;

2.7 WHEREAS, in section 8 of contract No. 2-07-30-W0277, IID, CVWD, and
the United States agreed that IID would operate, maintain, repair, and replace
the well field facilities pursuant to a separate contract between IID and the
United States; and

2.8 WHEREAS, the Parties desire to more specifically set forth criteria
to enable IID to administer the Project and operate, maintain, and replace
Project well field facilities;

NOW, THEREFORE, in consideration of the mutual and dependent covenants
contained herein, the Parties agree as follows:

3. DEFINITIONS: For the purposes of this Contract, the following definitions
shall apply:

3.1 Accounting Surface represents the elevation and slope of the
unconfined static water table in the Colorado River Aquifer outside the flood
plain and the reservoirs of the Colorado River that would exist if the
Colorado River were the only source of water to the Colorado River Aquifer.

3.2 Act means the Lower Colorado Water Supply Act enacted November 14,
1986 (100 Stat. 3665), which authorized the Secretary to construct, operate, and
maintain the Project.

3.3 Basic Apportionment Water means Colorado River water apportioned to
each Lower Division State when sufficient water is available for release, as
determined by the Secretary, to satisfy 7.5 million acre-feet of annual
Consumptive Use in the Lower Division States.

3.4 The Bureau of Reclamation is the Bureau of Reclamation of the
United States Department of the Interior.

3.5 Colorado River Aquifer is the aquifer that consists of permeable,
partly saturated sediments and sedimentary rocks that are hydraulically connected
to the Colorado River so that water can move between the Colorado River and the
aquifer in response to withdrawal of water from the aquifer or differences in water-level elevations between the Colorado River and the aquifer.

3.6 The **Colorado River Compact** means the document signed November 24, 1922, at Santa Fe, New Mexico, pursuant to an Act of Congress approved August 19, 1921 (42 Stat. 171); the Colorado River Compact was approved in section 13(a) of the Boulder Canyon Project Act.

3.7 CRB means the Colorado River Board of California, or its successor, which represents the State of California on water and power issues related to the Colorado River in California.

3.8 **Consumptive Use** means both (I) diversions from the Colorado River, including diversions from the Colorado River Aquifer, less such return flow thereto as is available for consumptive use in the United States or in satisfaction of the Mexican Water Treaty obligation, and (ii) evaporative or other losses from the Colorado River resulting from actions taken subsequent to March 9, 1964, by entities other than the Bureau of Reclamation, which result in a net increase in the Consumptive Use of Mainstream Water.

3.9 The **Contracting Officer** is the Regional Director of the Lower Colorado Region, Bureau of Reclamation, or his or her duly authorized representative. Unless deemed otherwise, the Contracting Officer shall be the Secretary’s authorized representative.

3.10 **Decree** means the Decree of the Supreme Court of the United States in the case of **Arizona v. California et al.**, entered March 9, 1964 (376 U.S. 340), as modified by the Court’s Supplemental Decrees entered January 9, 1979 (439 U.S. 419), and April 16, 1984 (466 U.S. 144), and as may be further supplemented or amended.

3.11 **Domestic** means the use of water for household, stock, municipal,
mining, milling, industrial and other like purposes including recreation but excluding the release of water solely for generation of hydroelectrical power.

3.12 **Entitlement** means an authorization to beneficially use Mainstream Water pursuant to (1) a decreed right, (2) a contract with the United States through the Secretary, or (3) a Secretarial reservation of water.

3.13 **Exchange Water** is the water pumped from the well field and delivered into the All-American Canal for delivery to IID and CVWD in lieu of Mainstream Water that would have been delivered to IID and CVWD pursuant to their respective Colorado River water Entitlements.

3.14 **Exhibit A** is a list of Project Water Users entitled to receive Mainstream Water in exchange for Project Water. Exhibit A also identifies the point(s) of diversion, the places of water use, the type of water use, and each Project Water User’s obligated share of Project capacity. Exhibit A is attached hereto and by this reference made a part of this Contract.

3.15 **Exhibit B** is a list of the First Stage Project works and facilities constructed by the United States. Exhibit B is attached hereto and by this reference made a part of this Contract.

3.16 **First Stage** means the constructed facilities capable of delivering up to 5,000 acre-feet of Exchange Water per year.

3.17 **Functional** means having the operational capability to economically provide Exchange Water of equivalent quantity and quality to Colorado River water otherwise available to the All-American Canal as provided for by the water exchange contract.

3.18 **Lower Division States** means the States of Arizona, California, and Nevada.

3.19 **Mainstream Water** means (1) water drawn or diverted from the main
channel of the Colorado River, exclusive of tributaries, within the United States downstream from Lee Ferry (including the areas covered by reservoirs, wetlands, lakes, ponds, and backwaters); (2) water withdrawn by a well within the boundary of the floodplain portion of the Colorado River Aquifer; and (3) within the boundary of the Accounting Surface portion of the Colorado River Aquifer, water withdrawn from a well with a static water level equal to or less than the elevation of the Accounting Surface at the well site.

3.20 **Mexican Water Treaty** incorporates Executive A, Seventy-eighth Congress, second session, a treaty between the United States of America and the United Mexican States, signed at Washington, D.C., on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande River from Fort Quitman, Texas, to the Gulf of Mexico; and Executive H, Seventy-eighth Congress, second session, a protocol signed at Washington, D.C., on November 14, 1944, supplementary to the treaty.

3.21 **Notice of Completion** shall mean the notice or notices which the Contracting Officer issues to the Project Water Users to announce the completion of the First Stage of the Project facilities.

3.22 **Operating Agency** shall mean IID which is the entity authorized to assume the administration, operation, maintenance, and replacement responsibilities of the Project.

3.23 **Project** means the well field and appurtenant works with sufficient capacity to annually supply up to 10,000 acre-feet of water which will benefit persons and entities defined in section 2(b) of the Act.

3.24 **Project Water User** means a person or entity defined in section 2(b) of the Act who has contracted with the Secretary for Project water. Specifically, each Project Water User is listed in Exhibit A.
3.25 Return Flow Water is Mainstream Water that has been diverted or pumped pursuant to the terms and conditions of the Project Water User's contract which flows or percolates back to the Colorado River or the Colorado River Aquifer for use in the United States or in satisfaction of the Mexican Water Treaty obligation in a manner approved by the Contracting Officer.

3.26 Secretary means the Secretary of the Interior or a duly authorized representative.

3.27 Section 2(b) of the Act defines the persons or entities that may receive the benefits of the Project and with whom the Secretary may contract. It states:

"Any contracts executed by the Secretary to fulfill the requirement of subsections (a)(2) and (a)(3) of this section must be with persons, or Federal or non-Federal governmental entities whose lands or interests in lands are located adjacent to the Colorado River in the State of California who do not hold rights to Colorado River water or whose rights are insufficient to meet their present or anticipated future needs, as determined by the Secretary. Such persons, or Federal or non-Federal governmental entities shall include the city of Needles, the town of Winterhaven, and other domestic, municipal, industrial, and recreational water users along the Colorado River in the State of California."
3.28 **Surplus Apportionment Water** means the Colorado River water that can be apportioned to the Lower Division States when sufficient water is made available for release, as determined by the Secretary, to satisfy in excess of 7.5 million acre-feet of annual Consumptive Use in the Lower Division States.

3.29 **Uncontrollable Force** is any cause beyond the control of the Party affected. Uncontrollable forces shall include, but are not necessarily limited to, drought, Project water supply shortage, facilities failure, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or public authority which by exercise of due diligence and foresight such Party could not have been reasonably expected to avoid.

3.30 **Unused Apportionment Water** is Colorado River water within the Lower Division States' Basic Apportionment Water or Surplus Apportionment Water, or both, which is not put to beneficial Consumptive Use in that year within any Lower Division State.

4. **TERM OF CONTRACT:** Subject to the terms, conditions, and provisions set forth herein, this Contract shall become effective the date first written above and shall remain in effect until the Contracting Officer determines that the Project is non-Functional.

5. **ADMINISTRATION OF PROJECT LANDS:** The lands and rights-of-way acquired and needed by the United States for the Project may be used by IID to operate and maintain the Project well field facilities. IID shall ensure that no unauthorized encroachment occurs on Project lands and rights-of-way. IID shall not issue rights-of-way across United States-administered land, shall not issue land rights to United States-administered land, or shall not issue leases, licenses, permits, or special use agreements for use of United States-
administered land, Project rights-of-way, or transferred Project works. All such land use instruments shall only be issued by the Contracting Officer.

6. IID’S FINANCIAL ADMINISTRATIVE RESPONSIBILITIES: As the Operating Agency for the Project, IID assumes certain financial administrative responsibilities to enable the Project Water Users to pay the costs of the United States and IID to administer the Project and operate, maintain, and replace the Project well field facilities.

6.1 Costs to Administer the Project and Operate and Maintain the Project Facilities:

6.1.1 Subject to the provisions of section 12 herein, IID shall estimate the total annual cost to administer, operate, and maintain the Project facilities for the following year based upon IID’s anticipated costs and the United States anticipated costs provided by the Contracting Officer.

6.1.2 IID shall advance to the United States by December 15 of each year the amount estimated by the Contracting Officer as sufficient to cover United States Project responsibilities during the following year. Such costs shall include, but not necessarily be limited to, testing Exchange Water, inspection of Project facilities and the meters of the Project Water Users, and book and record keeping.

6.1.3 If in any year Surplus Apportionment Water or Unused Apportionment Water is used by the Project Water Users in lieu of Exchange Water, in accordance with section 17 herein, the costs to operate and maintain the Project shall be adjusted by IID to exclude any costs directly related to the pumping of Exchange Water, as described in subsection 12.5 herein.

6.2 Cost for Replacement of Project Facilities: IID shall include in its annual estimate a cost component to provide funds for a Project well field
replacement and emergency account as detailed in section 7 herein. With the
approval of the Contracting Officer, IID shall calculate this charge to assure
all Project well field facilities could be replaced every fifteen (15) years.

6.3 Cost for Mainstream Water Use by the Project Water Users: An annual
Mainstream Water service charge of twenty-five cents ($0.25) per acre-foot shall
be paid by the Project Water Users for Mainstream Water projected to be diverted
by the Project Water Users during the following year. The revenue so collected
by IID shall be paid to the United States by December 15 of each year for the
following year's diversions, in addition to that collected and paid by IID
pursuant to paragraph 6.1.2 herein. The United States reserves the right to
adjust the Mainstream Water service charge at any time by providing written
notice to IID.

6.3.1 Upon determining the actual amount of Mainstream Water
diverted by each Project Water User for the previous year, IID shall determine
the appropriate Mainstream Water use charge for each Project Water User. In the
event that the Project Water User has made an overpayment based on actual
diversions, IID shall provide the Project Water User with a credit on the next
November 1 billing. In the event that the Project Water User diverted more
Mainstream Water than was projected for the calendar year and underpaid the
amount of the charge, IID shall add the amount of the underpayment to the next
November 1 billing for the Project Water User.

6.3.2 If a Project Water User increases its water schedule, in
accordance with section 8 herein, the Project Water User will forward to IID the
amount of the additional Mainstream Water use charge with the submittal of the
amended schedule, and IID shall forward such additional amount to the
United States with the next December 15 payment.
6.4 Project Water Users Repayment of First Stage Project Construction

Costs: Pursuant to repayment contracts, the Project Water Users shall repay the United States all Federal costs which are allocable to the Project Water Users for First Stage Project construction. The Contracting Officer shall bill the Project Water Users for the capital payment due to the United States under repayment contracts.

7. PROJECT WELL FIELD REPLACEMENT AND EMERGENCY ACCOUNT:

7.1 Beginning with the first budget prepared by IID pursuant to section 12 herein, IID shall establish and maintain a Project well field replacement and emergency account from monies collected from the Project Water Users of sufficient magnitude to replace all Project well field facilities on a fifteen- (15-) year schedule and of sufficient magnitude to cover one (1) year's operation and maintenance costs for any unforeseen, extraordinary circumstance. The ultimate size of the Project well field replacement and emergency account shall be approved by the Contracting Officer. The Contracting Officer shall notify IID in writing if the Contracting Officer determines that the amount of the Project well field replacement and emergency account should be adjusted. Similarly, the Contracting Officer shall notify IID of the amount of funds IID can withdraw from the Project well field replacement and emergency account without prior written approval from the Contracting Officer.

7.2 The account shall be established with a federally insured interest- or dividend-bearing account, or in securities guaranteed by the Federal Government; Provided, That money in the Project well field replacement and emergency account shall be available within a reasonable time to meet expenses for such purposes as those identified in subsection 7.3 herein. The interest earnings from the account shall be retained as part of the Project well field
replacement and emergency account.

7.3 IID may withdraw funds from the Project well field replacement and emergency account only for replacing Project facilities or for meeting unusual operation and maintenance Project well field facilities costs incurred during periods of Uncontrollable Forces for unforeseen extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs (in situations where recurrence of severe problems can be eliminated). Prior to drawing funds from the Project well field replacement and emergency account exceeding the amount determined by the Contracting Officer in accordance with subsection 7.1 herein, IID shall inform the Contracting Officer in writing of the situation and obtain written approval of the proposed expenditures from the Contracting Officer.

7.4 If IID is relieved from its obligations to administer the Project and operate, maintain, and replace the Project facilities pursuant to subsection 10.3, herein, IID shall not deny the United States access to the Project well field replacement and emergency account and shall follow the written instructions of the Contracting Officer concerning distribution of the account.

7.5 When the Contracting Officer determines that the Project is non-Functional, any funds remaining in the Project well field replacement and emergency account shall be first applied toward any remaining Federal repayment obligation and then any remaining funds shall be distributed by IID to the Project Water Users based upon contributions to the account, after IID's expenses are deducted. The distribution shall be subject to review and approval by the Contracting Officer.

8. IID'S RESPONSIBILITIES FOR SCHEDULING MAINSTREAM WATER AND REPORTING MAINSTREAM WATER USE:
8.1 The Contracting Officer shall provide IID with copies of the Project Water User contracts and the updated exhibits thereto. Each Project Water User shall provide IID an annual written Mainstream Water schedule and monthly and annual reports. The annual Mainstream Water schedule shall include the monthly schedules of the amount of Mainstream Water projected to be diverted at the point(s) of diversion, if the Contracting Officer has previously concluded that such monthly diversions can be reasonably determined. The schedule shall be provided to IID on or before October 1 for the following year. IID shall review all such projected Mainstream Water schedules and compute the Project Water Users' total estimated Consumptive Use of Mainstream Water associated therewith, in accordance with section 9 herein. On or before October 15 of each year, IID shall notify the Contracting Officer of the Project Water Users' total Mainstream Water order per point of diversion and the associated Consumptive Use.

8.2 Each Project Water User shall promptly send a written amendment to IID whenever the Project Water User determines that it requires a different quantity of water than that previously scheduled (or scheduled by amendment). IID shall notify the Contracting Officer in writing of any such amendment.

8.3 IID shall maintain a monthly record of Mainstream Water diversions at each point of diversion, based upon the information received from the Project Water Users. Each Project Water User using more than one (1) acre-foot of Mainstream Water annually shall inform IID on or before the fifteenth (15th) day of the month by sending IID a full written report of the volume of Mainstream Water diverted at the point(s) of diversion for the preceding month. IID shall send a consolidated monthly Mainstream Water diversion report to the Contracting Officer by the thirtieth (30th) day of the month for the preceding month's diversions.
8.4 Each Project Water User, who has been determined by the Contracting Officer to have the capability to measure Return Flow Water, shall maintain a monthly record of Return Flow Water delivered at the point(s) of return and shall send IID a full written report of the volume of Return Flow Water at the point(s) of return for the preceding month on or before the fifteenth (15th) day of the following month. IID shall send a consolidated Return Flow Water monthly report to the Contracting Officer by the thirtieth (30th) day of the month for the preceding month’s Return Flow Water.

8.5 On or before the twentieth (20th) day of January, each Project Water User shall file with IID a complete written report showing the volume of Mainstream Water diverted at each point of diversion and, if applicable, the volume of Return Flow Water delivered at each point of return during the previous year. IID shall send a consolidated annual report showing monthly diversions and Return Flow Water at each point of diversion for each Project Water User to the Contracting Officer by February 15 of each year.

8.6 IID shall notify the Contracting Officer when a Project Water User is delinquent in submitting its water schedules or payments. If a Project Water User is more than thirty (30) days delinquent in submitting its operation, maintenance, and replacement payment, Mainstream Water made available because of the Project shall not be made available to the delinquent Project Water User; Provided, That IID notifies the Project Water User of the delinquency at least fifteen (15) days before the cessation of the Mainstream Water deliveries.

9. CRITERIA FOR AND CALCULATION OF THE AMOUNT OF MAINSTREAM WATER CONSUMPTIVELY USED BY THE PROJECT WATER USERS: The criteria to determine the annual quantity of Mainstream Water consumptively used by the Project Water Users shall be established by the Contracting Officer after consultation with IID, CVWD, and
representatives of CRB. Monthly reports of the quantity of Mainstream Water consumptively used by the Project Water Users shall be provided to the Contracting Officer and CVWD by IID by the thirtieth (30th) day of the month for the preceding month.

10. OPERATION, MAINTENANCE, REPAIR, AND REPLACEMENT OF PROJECT WELL FIELD FACILITIES: Upon written notification from the Contracting Officer, the operation and maintenance of the Project well field facilities shall be transferred to IID. IID, at the expense of the Project Water Users, will operate, maintain, repair, and replace the Project well field facilities listed in Exhibit B in accordance with recognized prudent business practice in the water utility industry in the southwest United States, and in such manner that the Project well field facilities will remain in good and efficient condition from the funds advanced by the Project Water Users or from the account established pursuant to section 7 herein.

10.1 Necessary repairs of the Project well field facilities shall be made promptly by IID. In case unusual conditions or serious deficiencies in the care, operation, and maintenance of the Project well field facilities threaten or cause interruption of the Project well field facilities' ability to provide Exchange Water, the Contracting Officer may issue to IID a special written notice of the necessary repairs. Within 60 days of receipt of such notice, IID shall either make the repairs or submit a plan acceptable to the Contracting Officer for accomplishing said repairs. If IID fails to do either within 60 days of receipt of said notice, the Contracting Officer may cause the repairs to be made and the cost thereof shall be paid by IID as directed by the Contracting Officer.

10.2 IID shall make no substantial change in the Project well field facilities without first obtaining the written consent of the
10.3 In the event IID is found to be in violation of its obligation to administer the Project and operate, maintain, or replace the Project facilities pursuant to this Contract, the United States, at the determination of the Contracting Officer, may take over such obligations from IID by giving written notice to IID and the effective date thereof. The United States may require IID to transfer any Project Water User funds collected, but not expended, to the United States. The United States may require IID to provide all books, records, and reports pursuant to section 18 herein. Following written notification from the Contracting Officer, the responsibility for the administration of the Project and the care, operation, maintenance, and replacement of the Project facilities may be transferred back to IID.

11. HAZARDOUS MATERIALS:

11.1 IID shall comply with all applicable Federal, State, and local laws and regulations and Reclamation policies and instructions, currently existing or hereafter enacted or promulgated, concerning any hazardous material that will be used, produced, transported, stored, or disposed of on or in lands, waters, or facilities owned or administered by the United States.

11.2 The term "hazardous material" means any substance, pollutant, or contaminant listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 1901, et seq., and the regulations promulgated pursuant to that act.

11.3 IID may not allow any person or entity under its control to contaminate lands, waters, or facilities owned or administered by the United States by hazardous materials.

11.4 IID shall report to the Contracting Officer, within 24 hours of its
occurrence, any event which may or does result in pollution or contamination adversely affecting lands, water, or facilities owned or administered by the United States.

11.5 Violation of any of the provisions of this section 11 shall constitute grounds for immediate termination of this Contract and shall make IID liable for the cost of full and complete remediation and/or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.

11.6 IID agrees to include the provisions contained in subsections 11.1 through 11.5 of this section in any subcontract or third-party contract it may enter into pursuant to this Contract.

11.7 The Bureau of Reclamation agrees to provide information necessary for IID, using reasonable diligence, to comply with the provisions of this section 11.

12. ANNUAL PROJECT BUDGET:

12.1 On or before September 1 of each year, the Contracting Officer shall inform IID of the anticipated Federal costs for the United States to perform its Project responsibilities for the following year.

12.2 IID will prepare and submit to the Contracting Officer by October 1 of each year for the Contracting Officer’s review and approval an annual budget projecting IID’s costs to administer the Project and operate and maintain the Project well field facilities for the following year, including the United States costs in accordance with subsection 6.1 herein. The Contracting Officer shall review the proposed budget and provide any comments to IID by October 20 of each year. In the event that the Contracting Officer fails to respond within such timeframe, IID may assume that the United States has no comments on the budget.
12.3 IID shall bill each Project Water User for each user’s share of the costs pursuant to sections 6.3 and 12.2 herein by November 1 of each year. The bills shall be due and payable to IID by December 1.

12.4 IID will calculate the variable and non-variable component of the annual charge, pursuant to section 12.2 herein. The variable components (power for the pumps and the labor associated for such power) of the annual operation charge for each Project Water User will be based on the amount of Exchange Water to be pumped from the Project well field for the following year on behalf of each Project Water User. The non-variable component of the annual operation charge will be allocated among the Project Water Users as a cost per acre-foot of obligated Project capacity. The Contracting Officer shall review and approve the variable and non-variable components of the annual charge as part of the budget review and approval process.

12.5 IID will make adjustments in the operation and maintenance charges for each Project Water User to reflect actual costs and actual deliveries of Mainstream Water and Exchange Water in the preceding calendar year. The adjustments will be made in the next November 1 billing to each Project Water User. If the amount budgeted by IID in any year is insufficient to provide funds to administer the Project and operate and maintain the Project facilities, IID may submit a revised budget in the same manner as the original budget and, with the approval of the Contracting Office, send an amended bill of collection to each Project Water User.

13. DELIVERY OF EXCHANGE WATER INTO THE ALL-AMERICAN CANAL:

13.1 Exchange Water will be delivered to the All-American Canal in accordance with schedules to be agreed upon among IID, CVWD, and the Contracting Officer. To the extent that it can be accomplished without harm to IID and CVWD,
pumping of the Exchange Water will be scheduled during the times when it is most economical. Delivery of the Exchange Water shall not be scheduled during times when it will be detrimental to IID and CVWD.

13.2 In years the Secretary determines that Surplus Apportionment Water or Unused Apportionment Water is available and can be utilized by the Project Water Users, the diversions into the All-American Canal on behalf of IID and CVWD pursuant to the water exchange contract shall not be reduced, and Exchange Water shall not be pumped from the Project well field.

13.3 IID shall adjust the amount of Exchange Water pumped from the Project well field in any year to reflect the difference between the projected and actual amount of Mainstream Water consumptively used by the Project Water Users in the previous year.

14. **MEASUREMENT OF EXCHANGE WATER:** Exchange Water shall be measured at point(s) designated by the Contracting Officer. Measuring and controlling devices shall be operated and maintained by IID at the expense of the Project Water Users. The measuring and controlling devices shall remain at all times under the control of the Contracting Officer. In accordance with contract No. 2-07-30-W0277 among IID, CVWD, and the United States, the authorized representatives of the Contracting Officer shall at all times have access to the measuring and controlling devices over the lands and rights-of-way of IID and CVWD.

15. **QUALITY OF THE EXCHANGE WATER:** The quality of the Exchange Water is not guaranteed. The United States and IID, as the Project's Operating Agency, are under no obligation to construct or furnish water treatment facilities to maintain or better the quality of the Exchange Water. However, Project water will be tested by the United States at the expense of the Project Water Users to determine if the quality of the Project water delivered into the All-American
Canal is equivalent to the Colorado River water that would otherwise be diverted into the All-American Canal. If the Contracting Officer determines that the quality of the Exchange Water is poorer quality water than the Colorado River water that would have been delivered above Imperial Dam and if the Exchange Water is not acceptable to IID and CVWD, Exchange Water would not be delivered to the All-American Canal and the Contracting Officer shall direct the Project Water Users to cease the diversion of Mainstream Water.

16. *AVAILABILITY OF EXCHANGE WATER NOT GUARANTEED:* Neither the United States nor IID, as the Project's Operating Agency, assumes responsibility with respect to the quantity of water the Project is able to produce.

17. *USE OF SURPLUS APPORTIONMENT WATER OR UNUSED APPORTIONMENT WATER:* In years the Secretary determines that Surplus Apportionment Water or Unused Apportionment Water is available and can be utilized by the Project Water Users, the amount of Exchange Water pumped from the Project well field shall be reduced acre-foot for acre-foot of available Surplus Apportionment Water or Unused Apportionment Water so utilized.

18. *BOOKS, RECORDS, AND REPORTS:* IID shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including: IID's financial transactions; water supply and Water Exchange data, including volume and quality of water; Project operation, maintenance, and replacement logs; Project land and right-of-way use agreements; and other matters that the Contracting Officer may require. Reports thereon 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...
19. EXAMINATION AND INSPECTION OF THE PROJECT BY THE UNITED STATES TO DETERMINE ADEQUACY OF ADMINISTRATION, OPERATION, MAINTENANCE, AND REPLACEMENT ACTIVITIES:

19.1 The Contracting Officer may from time to time examine IID's books, records, and reports and inspect the Project well field facilities being operated by IID pursuant to this Contract. The purpose of the periodic examination and inspection is to assist IID in determining the condition of the Project well field facilities and the adequacy of the administration, operation, and maintenance programs and the Project well field replacement and emergency account. The Contracting Officer may examine any or all of the Project well field facilities.

19.2 The Contracting Officer may, or IID may request the Contracting Officer to, conduct special inspections of any Project well field facilities being operated by IID and special audits of IID's books and records to ascertain the extent of any administration, operation, maintenance, or replacement deficiencies, to determine the remedial measures required for their correction, and to assist IID in solving specific problems. Except in an emergency, any special inspection or audit shall be made only after written notice thereof has been delivered to IID by the Contracting Officer. Wherever possible, the estimated costs for such inspections shall be budgeted in advance in accordance with section 12 herein.

19.3 IID shall provide access to the Project well field facilities, operate any mechanical or electrical equipment, and be available to assist in the United States examination, inspection, or audit.

19.4 The Contracting Officer shall prepare reports based on the examinations, inspections, or audits and furnish copies of such reports and any
19.5 The United States costs for operation and maintenance examinations, inspections, audits, and preparation of associated reports and recommendations shall be advanced to the United States by IID in accordance with section 12 herein.

19.6 The Contracting Officer may provide CRB and CVWD an opportunity to observe and participate in the examinations and inspections, at CRB's and CVWD's own expense. CRB and CVWD may be provided copies of reports and any recommendations relating to such examinations and inspections.

20. RELEASE AND INDEMNITY: IID agrees to indemnify and hold harmless the United States, its employees, agents, subcontractors, successors, or assigns from any loss or damage and from any liability on account of personal injury, death, or property damage of any nature whatsoever resulting from suits, actions, or claims of any character brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any care, operation, maintenance, supervision, examination, inspection, or other duties of IID or the United States required under this Contract, regardless of who performs those duties.

21. TITLE TO REMAIN WITH THE UNITED STATES: Title to the land and the Project well field facilities shall remain with the United States.

22. COMPLIANCE WITH RECLAMATION LAWS: The Parties agree that the execution and implementation of this Contract does not constitute the provision of additional Federal benefits to IID and that the applicability of Federal Reclamation law, including the Reclamation Reform Act of 1982, to IID shall be no different than it would have been absent this Contract.

23. RULES, REGULATIONS, AND DETERMINATIONS:
23.1 The Parties agree that the delivery of water or the use of Federal facilities pursuant to this Contract is subject to Reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary under Reclamation law.

23.2 The Contracting Officer shall have the right to make determinations necessary to administer this Contract that are consistent with the expressed and implied provisions of this Contract, the laws of the United States and, where applicable, the State of California, and the rules and regulations promulgated by the Secretary. Such determinations shall be made in consultation with IID.

24. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS: The expenditure or advance of any money or the performance of any obligation by 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 IID from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

25. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED: The provisions of this Contract shall apply to and bind the successors and assigns of the Parties, but no assignment or transfer of this Contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

26. NOTICES: Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of either Party, when mailed, postage prepaid, or delivered to the other Party at the following addresses:

26.1 Regional Director
   Lower Colorado Region
   Bureau of Reclamation
   P.O. Box 61470 — Boulder City, Nevada 89006-1470

26.2 General Manager
   Imperial Irrigation District
   P.O. Box 937
   Imperial, California 92251

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.

27. AUTHORIZED REPRESENTATIVES OF THE PARTIES: Each Party, by written notice to the other, shall designate the representatives who are authorized to act in its behalf with respect to those matters contained herein which are the functions
and responsibilities of the authorized representatives. Either Party may change the designation of its authorized representative upon written notice.

28. OFFICIALS NOT TO BENEFIT: No Member or Delegate to Congress, Resident Commissioner, or official of IID shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

29. UNCONTROLLABLE FORCES: No Party shall be considered to be in default in respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of an Uncontrollable Force. Any Party rendered unable to fulfill any obligation by reason of an Uncontrollable Force shall exercise due diligence to remove such inability with all reasonable dispatch.

30. EQUAL OPPORTUNITY: During the performance of this contract, IID agrees as follows:

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

30.2 IID will, in all solicitations or advertisements for employees placed by or on behalf of IID, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

30.3 IID will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of IID's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

30.4 IID will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

30.5 IID will furnish all information and reports required by said amended
Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

30.6 In the event of IID's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and IID may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

30.7 IID will include the provisions of subsections 30.1 through 30.7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. IID will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, That in the event IID becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, IID may request the United States to enter into such litigation to protect the interests of the United States.

31. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS:

31.1 IID shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 142000d), section 504 of the Rehabilitation Act of 1975 (Public Law 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the Department of the Interior and/or Bureau of Reclamation.

31.2 These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this contract, IID agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

31.3 IID 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 IID 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. IID 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.
32. **EXHIBITS MADE PART OF THIS CONTRACT**: Inasmuch as the Project Water Users, the point(s) of diversion, the places of water use, the type of water use, the obligated share of Project capacity allocated to each Project Water User, and the Project well field facilities to be operated, maintained, and replaced by IID may change during the term of this Contract, they will be set forth on the exhibits as formulated or modified from time to time. The initial Exhibits A and B are attached hereto, and each is incorporated into this Contract in accordance with its respective provisions until superseded by a subsequent exhibit. Subsequent revisions of Exhibits A and B shall become effective upon approval of the Contracting Officer.

33. **EFFECT ON DECREED WATER RIGHTS**: Notwithstanding any other provision in this Contract, decreed water rights shall be administered consistent with the Decree as defined in subparagraph 3.10 of this Contract.
IN WITNESS WHEREOF, the Parties have caused this contract No. 5-07-30-W0323 to be executed the day and year first written above.

Legal Approval and Sufficiency

By

Field Solicitor
Phoenix, Arizona

THE UNITED STATES OF AMERICA

By

Regional Director
Lower Colorado Region

IMPERIAL IRRIGATION DISTRICT

By

Vice President

ATTEST:

Gloria A. Rivera
Asst. Secretary

El Centro, California

ORIGINATED
JULY 25, 1911
RESOLUTION

BE IT RESOLVED by the governing Board of Directors of the Imperial Irrigation District that the Board of Directors of the IMPERIAL IRRIGATION DISTRICT be and is hereby authorized to execute for and on behalf of the Imperial Irrigation District the attached Contract No. 5-07-30-W0323 for administration, operation, maintenance, and replacement of Lower Colorado Water Supply Project facilities with the UNITED STATES OF AMERICA, which Contract was duly presented to the Board of Directors and which Contract is hereby approved.

State of California )
County of Imperial )

I, Gloria A. Rivera, the duly appointed and qualified Asst. Secretary of the Imperial Irrigation District, do hereby certify that the foregoing is a true, accurate, and complete copy of a Resolution duly passed and adopted at a regular meeting of the Board of Directors of the Imperial Irrigation District held on September 19, 1995.

Dated: September 20, 1995

By: Gloria A. Rivera
Title: Asst. Secretary
1. This Exhibit A, made this 13th day of October, 1995, to be effective under and as a part of Contract No. 5-07-30-W0323 dated October 13, 1995, hereinafter called "Contract," shall become effective on the date of its execution and shall remain in effect until superseded by another Exhibit A; Provided, That this Exhibit A or any superseding Exhibit A shall terminate by the expiration of the Contract.

2. The Project Water Users, point(s) of delivery, place of water use, type(s) of water use, and the obligated share of Project capacity shall be as follows:
<table>
<thead>
<tr>
<th>Name and Address of Entity</th>
<th>Point(s) of Diversion</th>
<th>Place of Use</th>
<th>Types of Water Use</th>
<th>Obligated Share of Project Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Needles</td>
<td>wells Nos. 1, 2, 6, 7, 8, and 10</td>
<td>service area</td>
<td>municipal and industrial</td>
<td>3,500</td>
</tr>
<tr>
<td>P.O. Box 887, Needles, CA 92363</td>
<td>located near the center of Sec. 30, T. 9 N., R. 23 E., S8M</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IN WITNESS WHEREOF, the Parties have caused this Exhibit A to Contract No. 5-07-30-W0323 to be executed the date first written above.

THE UNITED STATES OF AMERICA

By

ACTING Regional Director
Lower Colorado Region

IMPERIAL IRRIGATION DISTRICT

By

Title Vice President

ATTEST:

Gloria A. Rivera

Title

Exhibit A - Page 2
Exhibit B
Contract No. 5-07-30-W0323
Imperial Irrigation District

IN WITNESS WHEREOF, the Parties have caused this Exhibit B to Contract No. 5-07-30-W0323 to be executed the date first written above.

THE UNITED STATES OF AMERICA

By ____________________________
Regional Director
Lower Colorado Region

IMPERIAL IRRIGATION DISTRICT

By ____________________________
Title Vice President

ATTEST:
Gloria A. Rivera
Title Secretary
3. The Project well field facilities to be operated, maintained, and replaced by IID at the expense of the Project Water Users in accordance with the Contract include the following main features.

**PROJECT WELL FIELD FACILITIES**

<table>
<thead>
<tr>
<th>Feature</th>
<th>OM&amp;R Responsibility</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Access road and surfacing, discharge pipeline, valves, and restraints.</td>
<td>IID</td>
<td>United States</td>
</tr>
<tr>
<td>3.2 Well Nos. LCWSP-1 and LCWSP-2, including measuring meters, casings, screens, gravel packs, bases, and heads.</td>
<td>IID</td>
<td>United States</td>
</tr>
<tr>
<td>3.3 Fencing, gates, and grounding.</td>
<td>IID</td>
<td>United States</td>
</tr>
<tr>
<td>3.4 Control shelters and building hardware including electrical and paint.</td>
<td>IID</td>
<td>United States</td>
</tr>
<tr>
<td>3.5 Power transmission line from IID's 34.5-kV transmission line located on the south side of Interstate 8 to wells Nos. LCWSP-1 and LCWSP-2, power poles, wiring, weather heads, motor control panels, junction boxes and conduits, meters, and switches.</td>
<td>IID</td>
<td>United States</td>
</tr>
<tr>
<td>3.6 Pumps, pump controls, alarms, sensors, starters, and overload protectors.</td>
<td>IID</td>
<td>United States</td>
</tr>
</tbody>
</table>
Exhibit B
Contract No. 5-07-30-W0323
Imperial Irrigation District

IN WITNESS WHEREOF, the Parties have caused this Exhibit B to Contract No. 5-07-30-W0323 to be executed the date first written above.

THE UNITED STATES OF AMERICA

By ____________________________
Regional Director
Lower Colorado Region

IMPERIAL IRRIGATION DISTRICT

By ____________________________
Title Vice President

ATTEST:
Gloria A. Rivera
Asst. Secretary

Exhibit B - Page 3