

SUBCONTRACT BETWEEN THE COUNTY OF COLUSA  
AND THE MYERS-MARSH MUTUAL WATER COMPANY  
PROVIDING FOR RESALE OF WATER UNDER CONTRACT BETWEEN  
THE UNITED STATES OF AMERICA AND THE COUNTY OF COLUSA

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4                    SUBCONTRACT BETWEEN THE COUNTY OF COLUSA  
5                    AND THE MYERS-MARSH MUTUAL WATER COMPANY  
6                    PROVIDING FOR RESALE OF WATER UNDER CONTRACT BETWEEN  
7                    THE UNITED STATES OF AMERICA AND THE COUNTY OF COLUSA

8                    This Subcontract is made this 25<sup>th</sup> day of February, 2005, by and between  
9                    the COUNTY OF COLUSA, hereinafter referred to as the County, acting through the Chairman  
10                    of the Board of Supervisors, with its principal place of business in Colusa, California, and the  
11                    MYERS-MARSH MUTUAL WATER COMPANY, hereinafter referred to as the Member Unit,  
12                    acting through the President and Secretary of the Board of Directors, with its principal place of  
13                    business in Williams, California.

14                    WITNESSETH, that:

15                    EXPLANATORY RECITALS

16                    [1<sup>st</sup>]    WHEREAS, on March 1, 2005, in pursuance generally of the Act of June 17,  
17                    1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, the United States of  
18                    America and the County of Colusa entered into Contract No. 14-06-200-8310A-LTR1 providing  
19                    for water service, hereinafter referred to as Master Contract; and

20                    [2<sup>nd</sup>]    WHEREAS, pursuant to said Master Contract, the United States agreed to furnish  
21                    up to 20,000 acre-feet of water annually from the Tehama-Colusa Canal to the County; and

22                    [3<sup>rd</sup>]    WHEREAS, Article 39 of the Master Contract states:

23                    "The Contractor [the County] may enter into subcontracts with Member Units for the  
24                    resale and distribution of water furnished pursuant to this Contract within the Contractor's

25 Service Area. Each such Member Unit subcontract shall be subject to the obligations and  
26 limitations imposed, and to the rights granted, by this Contract and shall so provide. The terms  
27 and conditions of each Member Unit's subcontract shall be approved by the Contracting Officer  
28 prior to the execution of such Member Unit subcontract, which approval shall be limited to a  
29 determination that the subcontract is consistent with the provisions of this Contract. Nothing  
30 herein or therein contained shall be deemed in any way to release the Contractor from its primary  
31 liability to the United States hereunder with respect to each and all of the obligations undertaken  
32 by the Contractor in this Contract.”; and

33 [4<sup>th</sup>] WHEREAS, the Member Unit is a mutual water company within the County’s  
34 service area organized for the purpose of obtaining a water supply from the Tehama-Colusa  
35 Canal and is eligible to enter into a subcontract within the meaning of Article 39 of the Master  
36 Contract; and

37 [5<sup>th</sup>] WHEREAS, the Member Unit and the County have previously entered into and  
38 performed under subcontracts between them for the resale and delivery by the County to  
39 Member Unit of up to 255 acre-feet annually of Central Valley Project Water that the County  
40 had rights to receive under its prior Master Contract with the United States (Contract  
41 No. 14-06-200-8310A), dated November 18, 1975, and the interim renewal contracts related  
42 thereto; and

43 [6<sup>th</sup>] WHEREAS, there is a present and potential need for water in the amount of 255  
44 acre-feet annually for irrigation and/or municipal and industrial purposes within the boundaries of  
45 the Member Unit, and that such a water supply to meet these present and potential needs can be  
46 made available by and through the works constructed by the United States; and

47 [7<sup>th</sup>] WHEREAS, upon motion duly made and seconded, the Board of Supervisors of  
48 the County voted unanimously, at a regular meeting thereof on January 15, 1980, to approve the  
49 resale to the Member Unit by subcontract of 255 acre-feet of the County's annual entitlement of  
50 20,000 acre-feet of water pursuant to the Master Contract, subject to the prior approval of the  
51 Contracting Officer as defined in the Master Contract; and

52 [8<sup>th</sup>] WHEREAS, said Contracting Officer has given advance consent to and approval  
53 of the form, terms, and conditions of the Subcontract between the County and the Member Unit.

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

56 INCORPORATION OF TERMS OF MASTER CONTRACT

57 1. This Subcontract is entered into pursuant to Article 39 of the Master Contract and  
58 subject to the terms, conditions, obligations, and limitations imposed by the Master Contract  
59 unless specifically provided to the contrary herein.

60 RESALE OF WATER

61 2. The County hereby resells to the Member Unit a quantity of water up to  
62 255 acre-feet of the 20,000 acre-feet of water to which the County is annually entitled pursuant  
63 to Article 3 of the Master Contract. The Member Unit will not be liable to the County for  
64 administrative or other charges in connection with said resale of water.

65 POINTS OF DELIVERY--OPERATION AND MAINTENANCE  
66 OF PUMPING PLANTS BY MEMBER UNITS

67 3. The water to be furnished to the Member Unit pursuant to this Subcontract shall  
68 be delivered in the canal system of Glenn-Colusa Irrigation District and will be discharged in the  
69 Member Unit's facilities through an existing irrigation outlet.

70 ASSUMPTION OF ADMINISTRATIVE RESPONSIBILITIES BY MEMBER UNIT

71 4. The Member Unit, rather than the County, shall perform the following  
72 administrative responsibilities with respect to the resale of water pursuant to this Subcontract:

73 (a) The Member Unit shall submit water use schedules to the United States in  
74 the manner provided for in Article 4 of the Master Contract;

75 (b) The Member Unit shall make payment, on behalf of the County, to the  
76 United States for water furnished pursuant to the Subcontract and in the manner and at the rates  
77 provided for in Article 7 of the Master Contract. The County shall return to the Member Unit  
78 any refund resulting from adjustments pursuant to Article 7 of the Master Contract.

79 (c) The Member Unit, on behalf of the County, shall pay interest on  
80 delinquent payment for water furnished pursuant to this Subcontract in the manner provided for  
81 in Article 20 of the Master Contract.

82 (d) The Member Unit, on behalf of the County, shall establish and maintain  
83 the books, records, and reports pertaining to the Member Unit's financial transactions, land use  
84 and crop census, water use, and other matters in the manner provided in Article 30 of the Master  
85 Contract.

86 TERM OF SUBCONTRACT

87 5. The term of this Subcontract shall be the same as the term of the Master Contract.

88 CONTRACTS FOR RESALE OF WATER

89 6. The Member Unit may enter into contracts, transfers, or exchanges of water  
90 furnished pursuant to this Subcontract in the manner provided for in Article 9 of the Master  
91 Contract.

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GENERAL OBLIGATION OF THE COUNTY

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7. Nothing herein contained shall be deemed in any way to release the County from

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its primary liability to the United States pursuant to the Master Contract with respect to each and

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all of the obligations undertaken by the County in said Master Contract.

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GENERAL OBLIGATION OF THE MEMBER UNIT

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8. (a) The Member Unit as a whole is obligated to pay the charges becoming due

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as provided in this Subcontract notwithstanding the individual default in the payment to the

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Member Unit by individual water users of assessments, tolls, or other charges levied by the

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Member Unit. The lands which may be charged with any taxes or assessments under this

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Subcontract are hereby designated as all the lands within the service area of the Member Unit.

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(b) The Member Unit will cause to be levied and collected all necessary

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assessments, standby charges, or water tolls, and will use all of the authority and resources of the

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Member Unit to meet its obligations hereunder to make in full all payments to be made pursuant

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to this Subcontract on or before the dates such payments become due and to meet its other

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obligations under this Subcontract. The Member Unit may, either or both, require the payment

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of service or standby charges or levy assessments for such water or service.

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COUNTY TO BE HELD HARMLESS

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9. The Member Unit shall hold the County harmless from every claim for damage to

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persons or property, and from each and every obligation, arising out of, or connected with, the

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performance by the Member Unit of this Subcontract.

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NOTICES

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10. Any notice, demand, or request authorized or required by this Subcontract shall be

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deemed to have been given when mailed, postage prepaid, or delivered to the Area Manager,

115 Northern California Area Office, Bureau of Reclamation, 16349 Shasta Dam Boulevard, Shasta  
116 Lake, California 96019, on behalf of the United States; to the Board of Supervisors, County of  
117 Colusa, 546 Jay Street, Colusa, California 95932, on behalf of the County; and to the Board of  
118 Directors, Myers-Marsh Mutual Water Company, P. O. Box 1308, Arbuckle, California 95912,  
119 on behalf of the Member Unit. The designation of the addressee or the address may be changed  
120 by notice given in the same manner as provided in this Article for other notices.

121 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

122 11. (a) The provisions of this Subcontract shall apply to and bind the successors  
123 and assigns of the parties hereto, but no assignment or transfer of this Subcontract or any right or  
124 interest therein shall be valid until approved in writing by the Contracting Officer.

125 (b) The assignment of any right or interest in this Subcontract by either party  
126 shall not interfere with the rights or obligations of the other party to this Subcontract absent the  
127 written concurrence of said other party.

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

130 OFFICIALS NOT TO BENEFIT

131 12. No Member of or Delegate to Congress, Resident Commissioner, or official of the  
132 Member Unit shall benefit from this Subcontract other than as a water user or landowner in the  
133 same manner as other water users or landowners.

134 CONFIRMATION OF SUBCONTRACT

135 13. The Member Unit, upon execution of this Subcontract, shall promptly secure a  
136 final decree of the proper court of the State of California, if appropriate, approving and  
137 confirming this Subcontract and decreeing and adjudging it and the apportionment of the benefits

138 made thereunder to be lawful, valid, and binding on the Member Unit. The Member Unit shall  
139 furnish to the County and the United States a certified copy of such decree and pertinent  
140 supporting records or a document describing why securing such a decree was unnecessary.

141 AMENDMENTS OF MASTER CONTRACT

142 14. The County and the Member Unit agree that neither party will take any action,  
143 without the prior written consent of the other party, which would result in an amendment to the  
144 Master Contract or this Subcontract which would increase the rates of payment for or the amount  
145 of water furnished pursuant thereto.



146 IN WITNESS WHEREOF, the parties hereto have executed this Subcontract the day and  
147 year here and above written.

148 COUNTY OF COLUSA

149 By: David G. Womble  
150 Chairman, Board of Supervisors

151 Attest:

152 Amy Guinnup, Deputy  
153 County Clerk and Ex-Officio Clerk of the  
154 Board of Supervisors of the County of Colusa

155 (SEAL)

156 MYERS-MARSH MUTUAL WATER COMPANY

157 By: Jay M Maul  
158 President, Board of Directors

159 By: Veronica H. Marsh  
160 Secretary, Board of Directors

161 Approved:

162 THE UNITED STATES OF AMERICA  
163 By: [Signature]  
164 Regional Director, Mid-Pacific Region  
165 Bureau of Reclamation

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY  
[Signature]  
OFFICE OF REGIONAL SOLICITOR  
DEPARTMENT OF THE INTERIOR

166 (H:\public\Willows Final LTRC's\ 2005-01-31 Meyers Marsh MWC Final Draft Subcontract  
167 form.doc)

BOARD OF DIRECTORS

MYERS-MARSH MUTUAL WATER COMPANY

RESOLUTION NO. 2005- 01

RESOLUTION APPROVING SUBCONTRACT UNDER THE LONG-TERM  
RENEWAL CONTRACT BETWEEN THE UNITED STATES  
AND THE COUNTY OF COLUSA

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AS A BASIS AND PREMISE for this Resolution, the Board of Directors of the MYERS-MARSH MUTUAL WATER COMPANY (“Company”) finds and states as follows:

1. On November 18, 1975 the County of Colusa (“County”) and the United States of America entered into a contract providing for water service, designated Contract No. 14-06-200-8310A (“Original Contract”).
2. Water service to the Company, as a “Member Unit” under the Original Contract was originally approved by the County on January 15, 1980, and has continued uninterrupted since then.
3. The Original Contract expired on February 28, 1995.
4. In advance of the expiration of the Original Contract, the County and the United States negotiated an Interim Renewal Contract (“IRC”), in accordance with the Central Valley Project Improvement Act, pending completion of a Programmatic Environmental Impact Statement (“PEIS”). The interim renewal applied to all the subcontracts, as well.
5. Upon completion of the PEIS, the United States announced its intent to negotiate a long-term renewal of the Original Contract.
6. The County and the United States engaged in a series of negotiations

commencing in 1999 and completed in 2004. A copy of the proposed Long-Term Renewal Contract, designated Contract No. 14-06-200-8310-A-LTR1 is on file with the Colusa County Board of Supervisors and this Board has reviewed it.

7. The Renewal Contract reflects the results of the negotiations and contains the terms and conditions that the County and the United States have tentatively agreed upon.

8. As set forth in the Renewal Contract, the County and the United States entered into subcontracts for the resale and distribution of all of the Project Water with the Member Units, including one for this Company. The Company's subcontract was renewed at the same time as, and in accordance with, the first and all subsequent Interim Renewal Contracts. The Company has fully complied with the terms and conditions of its subcontract.

9. In addition to and concurrent with the negotiations between the County and the United States, the Company and the United States negotiated a form of renewal subcontract ("Renewal Subcontract"), the form of which is attached hereto as Exhibit "A". The Renewal Subcontract is consistent with both the form and substance of the Company's original subcontract, and with the Renewal Contract.

10. The United States has published the proposed contract for a 60-day public review, completed analysis of renewal of the contract under the National Environmental Policy Act and completed consultations with other federal agencies under the federal Endangered Species Act.

11. The Board of Supervisors of the County of Colusa has been presented with the Renewal Contract, and Board of Supervisors has approved that form and the form of Renewal Subcontract.

12. It is in the best interests of the Company that its subcontract with the

County of Colusa be renewed and that it execute the Renewal Subcontract.

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

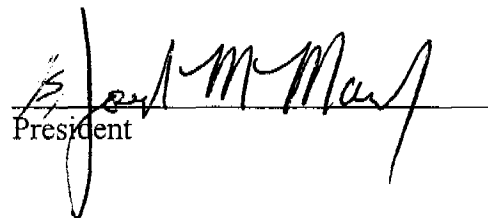
1. The Board of Directors of the MYERS-MARSH MUTUAL WATER COMPANY approves the *Subcontract between the County of Colusa and the Myers-Marsh Mutual Water Company Providing for Resale of Water Under Contract Between the United States of America and the County of Colusa*, Contract No.1-07-20-W0225-R1, attached hereto as Exhibit "A".

2. The President of the Board of Directors or any other Company official is authorized to execute that Renewal Subcontract, without further action by this Board.

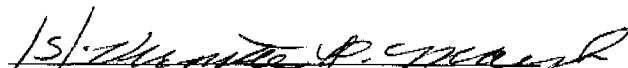
3. The Secretary shall forthwith prepare and transmit a certified copy of this Resolution to Reclamation.

4. The President of the Board and other Company officials and consultants are authorized and directed to do all things necessary and appropriate to carry out this Resolution and to ensure continued and uninterrupted water service to the Company under the County's water service contract.

PASSED AND ADOPTED at a special meeting on February 18, 2005.

  
President

ATTEST:

  
Secretary

CERTIFICATION

I, Therese P. Marsh duly and regularly appointed Secretary of the MYERS-MARSH MUTUAL WATER COMPANY, hereby certify that the foregoing is a true, correct and exact copy of a Resolution of the Board of Directors of MYERS-MARSH MUTUAL WATER COMPANY, duly and regularly passed and adopted at a meeting of the said Board of Directors at Willows, California, on February 18, 2005 the original of which is on file in my office and duly and regularly entered in the official records of proceedings of the Board of Directors of MYERS-MARSH MUTUAL WATER COMPANY.

Dated: 2-22-05

Therese P. Marsh