



United States Department of the Interior



BUREAU OF RECLAMATION
Pacific Northwest Region
Federal Building & U.S. Courthouse
Box 043-550 West Fort Street
Boise, Idaho 83724-0043

IN REPLY REFER TO:

PN-440

Breyman Farms
7656 South River Road
Salem OR 97306

SEP 21 1992

RECEIVED
SEP 25 1992
WATER RESOURCES DEPT.
SALEM, OREGON

Subject: Water Service Contract No. 2-07-10-W0941, Willamette Basin Project
(Water Service Contract)

Dear Ladies and Gentleman:

Enclosed for your records is a fully executed original copy of Contract No. 2-07-10-W0941, which provides for an irrigation water supply from the Willamette Basin Project commencing with the 1992 irrigation season.

If you have not yet contacted the Oregon Water Resources Department for your permit to divert, we suggest you do so. We are furnishing that agency a conformed copy of the contract so they will be in a position to proceed with issuing the required permit to divert stored water.

Sincerely,

Regional Supervisor of
Water, Power, and Lands

Enclosure

cc: Oregon Water Resources Department
3850 Portland Road NE.
Salem OR 97310 (w/cy of contract) - Application No. 72417

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
PO Box 2946
Portland OR 97208 (w/cy of contract)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 21st day of September, 1992, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), the Flood Control Act of 1938 (53 Stat. 1222), and the Flood Control Act of 1950 (64 Stat. 170), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Breyman Farms, 7656 South River Road, Salem, Oregon 97306, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates a system of multipurpose reservoirs in the Willamette Basin, Oregon, herein styled the Willamette Basin Project, from which there is a flow of water than can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, was appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, The Contractor owns land hereinafter described, for which a water supply is desired to be secured from the United States; and

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Lands for Which Water is Furnished: Limitations on Deliveries

4. The United States shall make available each year to the Contractor during the irrigation season from April 1 to September 30, inclusive, water from the Willamette Basin Project for the irrigation of land owned by the Contractor described as follows:

21.02 acres, NW1/4 SW1/4, Sec. 27, T. 8 S., R. 4 W., W.M.
16.03 acres, NE1/4 SW1/4, Sec. 27, T. 8 S., R. 4 W., W.M.
33.51 acres, SW1/4 SW1/4, Sec. 27, T. 8 S., R. 4 W., W.M.
36.07 acres, SE1/4 SW1/4, Sec. 27, T. 8 S., R. 4 W., W.M.
3.54 acres, NE1/4 SE1/4, Sec. 28, T. 8 S., R. 4 W., W.M.
1.52 acres, SE1/4 SE1/4, Sec. 28, T. 8 S., R. 4 W., W.M.
15.68 acres, NE1/4 NE1/4, Sec. 33, T. 8 S., R. 4 W., W.M.
28.92 acres, NW1/4 NW1/4, Sec. 34, T. 8 S., R. 4 W., W.M.
30.58 acres, NE1/4 NW1/3, Sec. 34, T. 8 S., R. 4 W., W.M.

Of the land described, not more than 186.87 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 467.175 acre-feet annually, measured at the point of delivery of said water.

Payments for Water

5. (a) An annual payment of \$700.76 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$700.76 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 467.175 acre-feet of stored water in accordance with Article 4 of this contract. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$1.50 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Willamette Basin Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 14 of this contract.

Contract Preparation Assignment Fee

6. (a) Upon execution of this contract, a \$100 fee for the preparation of this contract is due and payable by the Contractor to the United States.

(b) All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

7. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments, pursuant to section 11 of the Debt Collection Act of 1982 (Public Law 97-365). When payment is not received within 30 days of the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

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

Furnishing of Water

8. (a) Upon payment of the annual charge specified in subarticle 5(a) above, the United States will furnish a maximum of 467.175 acre-feet of water to the Contractor from the Willamette Basin Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

Wells located at:

- (1) 785.0 feet N 71° 14' W of the S1/4 corner of Sec. 27, T. 8 S., R. 4 W., W.M.
- (2) 1,033.0 feet N 89° 45' E of the SW corner of Sec. 27, T. 8 S., R. 4 W., W.M.
- (3) 1,358.0 feet S 63° 44' E of the SW corner of Sec. 27, T. 8 S., R. 4 W., W.M.
- (4) 606.5 feet S 8° 26' W of the SW corner of Sec. 27, T. 8 S., R. 4 W., W.M.
- (5) 625 feet south and 1,125 feet east of the W1/4 corner of Sec. 27, T. 8 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or of an appropriate State-appointed watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.