

S-72155



United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Regional Office
1150 North Curtis Road, Suite 100
Boise, ID 83706-1234

IN REPLY REFER TO:
PN-3324
WTR-4.00

JUN 15 2011

Mr. Stanley Starr
Ms. Nancy Starr
5869 NW Springhill Drive NW
Albany, OR 97321

Subject: Water Service Contract No. 119E101752, Willamette River Basin Project, Oregon

Dear Mr. and Ms. Starr:

Enclosed for your records is a fully executed original of the subject contract, which provides irrigation use of up to 306.25 acre-feet of stored water from the Willamette River Basin Project beginning with the 2011 irrigation season.

Your concerns regarding General Provision (b) Confirmation of Contract, are valid and we have removed this article from the contract. Please note that if less water is used during any irrigation season, information on the amount delivered must be received in writing by this office no later than December 1, of the subject season, to receive a partial refund as set forth in Article 5 of the contract.

If you have any questions, please contact Mr. Bill Parks, Economist, at the above address or by telephone at 208-378-5344.

Sincerely,

Ryan M. Patterson
Program Manager
Repayment and Acreage Limitation

Enclosure

cc: Water Rights Division
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
(w/copy of contract)

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SALEM, OREGON

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 15th day of June, 2011, 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 (52 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 **Stanley and/or Nancy Starr**, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

EXPLANATORY RECITALS

2. WHEREAS, The United States has constructed and operates a system of multi-purpose reservoirs in the Willamette River Basin, Oregon, herein styled the Willamette River Basin Project, from which there is a flow of stored water that 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

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This payment will entitle the Contractor to receive up to a maximum of 306.25 acre-feet of stored water for irrigation of the lands described in Article 4 of this contract. The Contracting Officer will consider adjusting the water service payment downward based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amount of stored water diverted each month by the Contractor during the irrigation season and on other factors in addition to the amount of stored water actually released, as deemed appropriate by the Contracting Officer. Any such adjustment will be determined and subtracted from the payment for the next year, or refunded if the contract is no longer in effect, by the Contracting Officer; Provided, that in order for an adjustment to be made, information on the amounts of stored water diverted each month must be received in writing by the Contracting Officer by December 1 of that year.

(b) The annual payment set forth in (a) above is based on an initial rate of \$ 8 per acre-foot of stored water; Provided, that such annual payment shall at a minimum be the greater of either the product of \$ 2 multiplied by the number of acres described in Article 4 of this contract or \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot of stored water and the minimum payment shall be reviewed by the Contracting Officer and revised, if necessary, by the Contracting Officer for the irrigation water marketing program of the Willamette River Basin Project. Any revision by the Contracting Officer will apply only to future payments 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.

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RELEASE OF WATER

8. (a) Upon payment of the charges specified in Article 5 above, the United States will release water from the Willamette River Basin Project pursuant to this contract. No water shall be released if the Contractor is delinquent in payment of the required annual payments.

(b) Water diverted pursuant to this contract shall be measured at the following point(s) of diversion in accordance with Oregon State law:

2,900 feet north and 1,240 feet west of the southeast corner of
Section 14, T. 10 S., R. 4 W., W.M.

The Contractor shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. Water so diverted shall be measured by means of measuring and controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, maintained and/or modified as necessary by and at the expense of the Contractor, but they shall be and remain at all times available for reading and monitoring by the United States or 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.

(c) The Contractor shall, to the extent practicable, submit to the Contracting Officer an advance schedule as to the time of water diversions. Changes in such schedule may be made only upon sufficient advance notice to the Contracting Officer to allow him/her to adjust releases to meet the new schedules. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the watermaster and/or the United States.

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(c) In the interests of conservation and protection of environmental resources, from time to time, but not less often than once every 5 years or when requested in writing by either the U.S. Fish and Wildlife Service or the National Marine Fisheries Service (NMFS), this contract shall be reviewed by the Contracting Officer. The terms and conditions of this contract, including the amount of stored water provided hereunder, may be modified or the contract terminated as determined by the Contracting Officer, to avoid or minimize impacts to species and/or critical habitat that are proposed, listed, or designated under the ESA, or to other valuable natural resources. Any termination of or modification to the contract by the Contracting Officer shall be announced by written notice to the Contractor.

(d) At the Contractor's point of diversion, fish screen(s) and/or fish passage structure(s), approved by NMFS or its designee, shall be installed, operated, and maintained in good operating condition by and at the expense of the Contractor, but shall remain at all times available for inspection by the United States and the State of Oregon, whose representatives may at all times have access to them over any lands of the Contractor. Provided; as a condition of the continued release of water, every five to seven years, the Contractor must re-confirm that their diversion(s) are still in conformance with NMFS design guidelines. Provided further; in the event that requirements for fish passage structures and/or fish screening are changed by either the State or Federal fisheries agencies after initial compliant installation by the Contractor, the Contractor shall bring its diversion into compliance with the new requirements within a time frame established by the Contracting Officer or the applicable State and Federal fisheries agency.

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HOLD HARMLESS AND INDEMNIFICATION

13. To the extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the United States and Reclamation, and their officers, employees, and agents, from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any character (hereinafter collectively referred to as "claims") that result from , arise out of, or relate to the quality or quantity of water released pursuant to this contract, including but not limited to claims by patrons or others in privity with the Contractor related to the settlement or adverse results of litigation brought against the United States or Reclamation by third parties. The Contractor does not agree to indemnify the United States for any damages arising from intentional torts or malicious actions committed by employees of the United States.

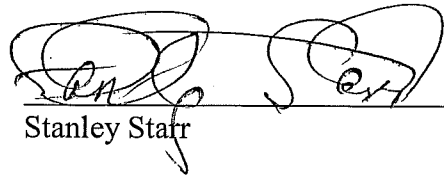
DISCLAIMER

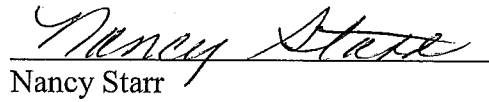
14. No provision of this contract, nor the release of water hereunder, shall confer on the Contractor a permanent water right. Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Willamette River Basin Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. The United States assumes no responsibility or liability for any taking of endangered or threatened species at the Contractor's point(s) of diversion arising from the Contractor's diversion and use of water released under this contract. Further, the United States shall not be liable for any acts or omissions of the Contractor or its agents or of persons for whom water is released.

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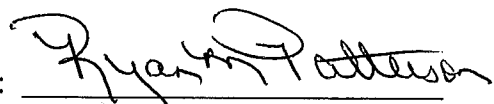
IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR


Stanley Starr


Nancy Starr

UNITED STATES OF AMERICA

By: 
Program Manager
Repayment and Acreage Limitation
PN Region
Bureau of Reclamation
1150 N. Curtis Road, Suite 100
Boise, ID 83706-1234

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GENERAL PROVISIONS --- WILLAMETTE BASIN PROJECT

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

(a). (1) The obligation of the Contractor to pay the United States as provided in this contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contractor.

(2) The payment of charges becoming due pursuant to this contract is a condition precedent to receiving benefits under this contract. The Contractor shall not deliver water under the terms and conditions of this contract for lands or parties that are in arrears in the advance payment of water rates as levied or established by the Contractor.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

OFFICIALS NOT TO BENEFIT

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

CHANGES IN CONTRACTOR'S ORGANIZATION

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

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATION

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

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EQUAL EMPLOYMENT OPPORTUNITY

(j). During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Contractor 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, disability, 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. The Contractor 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.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.

(3) The Contractor 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 the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended (EO 11246), and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of EO 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by EO 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor'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 the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in EO 11246, and such other sanctions may be imposed and remedies invoked as provided in EO 11246, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of EO 11246, so that such provisions will be binding upon each subcontractor or vendor. The Contractor 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 the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

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

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

MEDIUM FOR TRANSMITTING PAYMENTS

(m). (1) 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.

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

CONTRACT DRAFTING CONSIDERATIONS

(n). This Contract has been, negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains. Articles 1 through 18 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.

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