

5-55676



United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234

IN REPLY
REFER TO:

PN-3323
WTR-4.00

MAY 9 1996

RECEIVED

Mr. George F. Horning
Horning Farms, Inc.
27775 Horning Lane
Corvallis OR 97333

MAY 13 1996
WATER RESOURCES DEPT.
SALEM, OREGON

Subject: Assignment of Willamette Basin Project Contract No. 7-07-10-W0057

Dear Mr. Horning:

Enclosed for your records is a fully executed copy of the assignment of Willamette Basin Project Water Service Contract No. 7-07-10-W0057 to Horning Farms, Inc.

Thank you for promptly completing the subject assignment and returning it with your payment for the assignment and 1996 water service.

Sincerely,

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosure

cc: Oregon Water Resources Department
158 12th Street NE
Salem OR 97310

US Army Corps of Engineers
Attention: CENPP-PE-HR
PO Box 2946
Portland OR 97208
(w/cy of assignment to each)

ASSIGNMENT OF WILLAMETTE BASIN PROJECT WATER SERVICE CONTRACT

WHEREAS, the United States of America entered into a contract on May 2, 1977, Contract No. 7-07-10-W0057, with Paul Rigor for an irrigation water supply from the Willamette Basin Project for use on lands owned by the Contractor; and

WHEREAS, Horning Farms, Inc. state that they have purchased the land to which water was to be provided under said contract and request that said contract now be assigned to them (at mailing address 27775 Horning Lane, Corvallis OR 97333);

NOW, THEREFORE, all right, title, and interest in Contract No. 7-07-10-W0057, dated May 2, 1977, for an irrigation supply not to exceed 137.6 acre-feet annually is hereby assigned to Horning Farms, Inc. This assignment is effective only upon the approval thereof by the United States of America as provided in General Provisions, Article f. of said May 2, 1977, contract.

Horning Farms Inc
by George F. Horning

Horning Farms, Inc.
27775 Horning Lane
Corvallis OR 97333

3-15-96
Date

CONTRACTING OFFICER

By *Ryan M. Patterson*

Program Manager
Lands and Repayment
PN Region
Bureau of Reclamation
1150 North Curtis Road
Boise ID 83706-1234

STATE OF)
County of BENTON) : SS

On this 15 day of March, 1996, before me, a notary public, personally appeared GEORGE F. HORNING, known to me to be the official of HORNING FARMS, INC. that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said Horning Farms, Inc., for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that Horning Farms, Inc. is the legal owner of the property for which a water supply is to be provided under the May 2, 1977, contract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



Helen J. Barnes

Notary Public in and for the State of OREGON

Residing at: 165 N 5th, Monroe, Or 97456

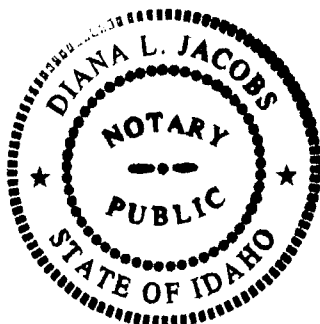
(SEAL)

My commission expires: January 16, 2000

STATE OF IDAHO)
County of Ada) : SS

On this 9 day of May, 1996, personally appeared before me Ryan M. Patterson, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



Diana L. Jacobs

Notary Public in and for the State of IDAHO

Residing at: Boise

(SEAL)

My commission expires: 5-23-2000



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

IN REPLY
REFER TO: PN 362

840.

55676

Mr. Paul Rigor
Route 3, Box 585
Corvallis, OR 97333

Dear Mr. Rigor:

Under provisions set forth in Water Service Contract No. 7-07-10-W0057, which you executed with the United States to obtain a source of stored water from the Willamette Basin Project, the annual rate charged per acre-foot of water may be revised from time to time in accordance with construction, operation, and maintenance costs of the project.

The annual rate charged for water service since 1981 has been \$1.25 per acre-foot. This rate was applicable to both the base quantity of water made available under the contract and also any additional stored water utilized during the irrigation season. Beginning in 1986, the annual charge will be increased to \$1.50 per acre-foot and this change will be reflected in the bill for collection issued to you sometime prior to April 1, 1986. Revision of the charge for water service is necessary because of increased costs incurred by the Corps of Engineers over the past several years for operating and maintaining the Willamette Basin Project.

As a contractual requirement, you must be notified at least 3 months prior to the beginning of the irrigation season for which a revised water charge will be applicable. This letter serves as a notice of such action. If there are any questions regarding the new rate for water service or other contractual matters, please feel free to contact our office at any time.

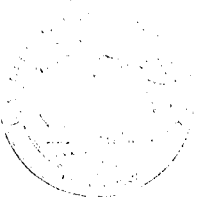
Sincerely yours,

William Bennett
ACTING
Regional Finance Officer

cc: Director, Oregon State Water Resources Dept.
3850 Portland Road, NE.
Salem, Oregon 97310

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
P.O. Box 2946
Portland, Oregon 97208

35676



United States Department of the Interior
BUREAU OF RECLAMATION

PLANNING FIELD BRANCH
1775-3226 PLACER N.E.
BOX 7505, SALEM, OREGON 97305

RECEIVED
MAY 3 1977
WATER RESOURCES DEPT.
SALEM, OREGON

IN REPLY
REFER TO:

840.-

May 2, 1977

Paul Rigor
Route 3, Box 585
Corvallis, Oregon 97330

Dear Mr. Rigor:

Enclosed is one duplicate original of the recently executed contract with the United States providing for water service from the Willamette Basin Project. The contract is numbered and dated as follows:

7-07-10-W0057, May 2, 1977

Copies of the contract are also being provided to the Oregon State Water Resources Department and the Corps of Engineers, Portland District.

Also enclosed is a form for your reporting operations during the 1977 irrigation season. Please maintain the form on a monthly basis during the 1977 irrigation season. The form should be returned to the Bureau's Regional Office in Boise, Idaho, at the address shown on the report form, not later than October 31, 1977. The form should be submitted even if you do not use stored water in 1977. If the form is not submitted by October 31, 1977, it will be assumed that you have used the maximum quantity of water available under the contract and you will subsequently be billed for excess water use in the 1977 irrigation season.

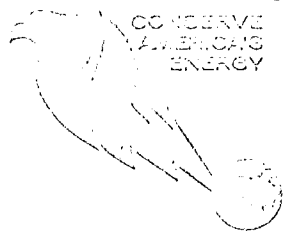
Sincerely yours,

Robert A. Barbo

Robert A. Barbo
Chief, Planning
Field Branch

Enclosures

cc: Director, Oregon Water Resources Department (w/copy of encl.)
District Engineer, Portland District Corps of Engineers (w/copy of encl.)



Save Energy and You Serve America!

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 2 day of May, 1977, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388) and acts amendatory thereof or supplementary thereto, including section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), all of which acts are commonly known and referred to as the Federal Reclamation Laws, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Paul Rigor

(name)

Route 3, Box 585, Corvallis, Oregon 97330,

(address)

hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, because the United States is engaged in the construction and operation of a system of multipurpose reservoirs in the Willamette Basin, Oregon, herein styled the Willamette Basin Project, there will be a flow of water that can be used for irrigation of land, and other beneficial uses, which flow as it is 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 is the owner of land hereinafter described, for which a water supply is desired to be secured from the United States;

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:

Water to be Provided by the United States

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 irrigation of the land of the Contractor described as follows:

- 15.5 acres, SE $\frac{1}{4}$ SE $\frac{1}{4}$
- 28.5 acres, SW $\frac{1}{4}$ SE $\frac{1}{4}$
- 11.0 acres, NW $\frac{1}{4}$ SE $\frac{1}{4}$
- 9.0 acres, NE $\frac{1}{4}$ SE $\frac{1}{4}$, all in sec. 2, T. 14 S., R. 5 W., W.M.

Of the land described, 64.0 acres are to be irrigated. The quantity 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 137.6 acre-feet annually, measured at the point of delivery of said water.

Place of Delivery and Measurement of Water

5. Water for the purposes hereof shall be made available at the following described point of diversion:

1,790 feet north and 525 feet west of southeast corner of section 2, T. 14 S., R. 5 W.

The Contractor shall receive said water at said point of diversion and shall be wholly responsible for taking said water at that point and diverting, conveying, and utilizing it. The water to be delivered hereunder shall be measured at: Point of diversion.

by means of a measuring device or controlling device to be 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

Arts. 4, 5

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.

Rate of Delivery of Water

6. The monthly supply of water hereunder diverted in any one month of the irrigation season, beginning in April and ending on or before September 30, shall not exceed 35 percent of the total maximum annual diversion as hereinabove set forth. The Contractor shall, to the extent practicable, submit to the Contracting Officer an advance schedule as to the precise time of water deliveries. Changes in such schedule may be made only upon sufficient advance notice to the Contracting Officer to allow him to adjust releases to meet the new schedules. Upon the appointment of a watermaster to govern diversions from the stream concerned, the Contractor shall be required to conform his diversions and releases to the control of the stream as established by the watermaster.

Water Supply

7. (a) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Willamette Basin Project shall, to the extent of their respective maximum contracted rights, have equal priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts. It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 4. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Willamette Basin Project determined in accordance with the law governing the project.

(b) On account of drought, inaccuracy in distribution, or other cause, there may occur at times a shortage in the water supply provided herein, and while the United States will use all reasonable means to guard against such shortages, in no event shall any liability accrue against the United States or any of its officers, agents or employees for any damage, direct or indirect, arising therefrom.

Water Charges

8. (a) The Contractor shall pay, for all supplies of water delivered under this contract, a minimum charge equal to the annual rate per acre-foot as established under (c) of this article times the

Arts. 6, 7, 8(a)

(b) This contract shall be terminated and water service hereunder shall cease automatically when water is made available to the lands involved through an agreement with an organized group or association for the benefit of the lands described in Article 4.

(c) If the Contractor fails to comply with any of the terms and conditions hereof, including payment of water charges, and the provisions with respect to the use of water on excess lands, and after written notice fails to remedy such default within 30 days, the United States may, at its option, terminate this contract.

Irrigable Area Limitation

10. Pursuant to the provisions of the Federal Reclamation Laws, water made available to the Contractor hereunder shall not be delivered to more than 160 irrigable acres in the ownership of any one person or other entity, nor more than 320 irrigable acres held by a husband and wife as community property, except that, if irrigable lands in excess thereof have been acquired by foreclosure or other process of law, by conveyance in satisfaction of mortgages, by inheritance or devise, water therefor may be furnished temporarily for a period not to exceed five years from the effective date of such acquisition, and except that delivery may be made to lands held in excess of this limitation if the excess lands are covered by a recordable contract made in accordance with the provisions of section 46 of the Act of May 25, 1926 (44 Stat. 649). In the event that the Congress of the United States repeals or amends the excess land provisions of the Federal Reclamation Laws, the United States agrees, at the option of the Contractor, to negotiate amendments of this article consistent with the provisions of such amendment.

Term of Contract

11. This contract shall become effective as of the date first above written after its execution on behalf of the United States, and shall remain effective for a term of 40 years from that date except as otherwise herein provided. At the expiration of the term, the contract may be extended by the Secretary of the Interior for additional terms of not to exceed 40 years each.

Arts. 9(b)(c), 10, 11

General Provisions

12. This contract is subject to the General Provisions attached hereto and by this reference made a part hereof.

UNITED STATES OF AMERICA

Robert A. Backe

Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 West Fort Street
Boise, Idaho 83724

Paul Rigor

Contractor

GENERAL PROVISIONS--WILLAMETTE BASIN PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such a manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. 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, 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, 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 Equal Opportunity 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, 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 this Equal Opportunity clause, 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 Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor 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.

(6) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said 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 said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, 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 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. The Contractor will take such action with respect to any subcontract or purchase order as the Contracting Officer may direct 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 by the Contracting Officer, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

RULES, REGULATIONS, AND DETERMINATIONS

e. (1) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor for consultation, rules and regulations consistent with the provisions of this contract, the laws of the United States and the State of Oregon, to add to or to modify them as may be deemed proper and necessary to carry out this contract, and to supply necessary details of its administration which are not covered by express provisions of this contract. The Contractor shall observe such rules and regulations.