



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

AUG 08 1989

WATER RESOURCES DEPT.
SALEM, OREGON

AUG 10 1989



Mr. Ronald E. Detering
President
Rock'n D Ranch, Inc.
27020 Ferguson Road
Junction City OR 97448

Subject: Water Service Contract No. 9-07-10-W0755, Willamette Basin
Project (Water Service)

Dear Mr. Detering:

Enclosed for your records is a fully conformed copy of Contract No. 9-07-10-W0755, which provides you an irrigation water supply from the Willamette Basin Project.

If you have not yet contacted the Oregon State 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 water.

If there are any questions regarding the terms or conditions set forth in the contract, please feel free to contact this office.

Sincerely,

Kenneth R. Pedde

Regional Director

Enclosures

cc: Mr. Jeff B. Johnson
Senior Credit Officer
Farm Credit Services
P.O. Box 285
Harrisburg OR 97446

Director, Oregon State Water Resources Department
3850 Portland Road, NE.
Salem OR 97310 (w/copy of enclosure)

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
P.O. BOX 2946
Portland OR 97208 (w/copy of enclosure)

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

1 THIS CONTRACT, made this 1st day of August, 1989,
2 pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187),
3 and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which
4 acts are commonly known and referred to as the Reclamation Laws), the
5 Flood Control Act of 1938 (53 Stat. 1222), and the Flood Control Act of
6 1950 (64 Stat. 170), between the UNITED STATES OF AMERICA, hereinafter
7 referred to as the United States, represented by the Contracting Officer
8 executing this contract, and Rock'n D Ranch, Inc.,
9 27020 Ferguson Road, Junction City, Oregon 97448,
(Address)
10 hereinafter referred to as the Contractor;

11 WITNESSETH, THAT:

12 Explanatory Recitals

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

45712

1 3. WHEREAS, The Contractor owns land or provides water service
2 to the owners of lands hereinafter described, for which a water supply
3 is desired to be secured from the United States;

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

7 Lands for Which Water is Furnished: Limitations on Deliveries

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

12 19.2 acres, SW1/4NE1/4, Sec. 27, T. 15 S., R. 5 W., W.M.
13 40.0 acres, SE1/4NE1/4, Sec. 27, T. 15 S., R. 5 W., W.M.
14 33.2 acres, NE1/4SE1/4, Sec. 27, T. 15 S., R. 5 W., W.M.
15 7.4 acres, SE1/4SE1/4, Sec. 27, T. 15 S., R. 5 W., W.M.
16 33.0 acres, SW1/4NW1/4, Sec. 26, T. 15 S., R. 5 W., W.M.
17 32.6 acres, NW1/4SW1/4, Sec. 26, T. 15 S., R. 5 W., W.M.
18 15.8 acres, SW1/4SW1/4, Sec. 26, T. 15 S., R. 5 W., W.M.

19 Of the land described, not more than 181.2 acres are to be irrigated.

20 The amount of water to be made available hereunder shall be that
21 quantity which may be applied beneficially in accordance with good usage
22 in the irrigation of the land above described, but in no event shall it
23 exceed a total diversion of 453.0 acre-feet annually, measured at the
24 point of delivery of said water.

Payments for Water

1
2 5. (a) An annual payment of \$ 271.80 for the first irrigation
3 season shall be made to the United States at the time of executing this
4 contract, and subsequent annual payments of \$ 271.80 will be due on or
5 before April 1 of each succeeding irrigation season in advance of water
6 use. This payment will entitle the Contractor to receive 181.2 acre-
7 feet of stored water, hereinafter referred to as the base entitlement,
8 for irrigation of the lands described above. Up to an additional
9 271.8 acre-feet may be purchased if available. For each additional
10 acre-foot required, \$ 1.50 must be deposited with the Contracting
11 Officer by April 1 of the year its use is anticipated. Payments for the
12 base entitlement or additional water are nonrefundable regardless of the
13 amount of water actually used.

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

1 (c) All payments from the Contractor to the United States
2 under this contract shall be made by the medium requested by the United
3 States. The required medium of payment may include checks, wire trans-
4 fers, or other types of payment specified by the United States. Except
5 when otherwise specified by the United States, all payments shall be made
6 by check.

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

9 Contract Preparation Assignment Fee

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

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

17 Charges for Delinquent Payments

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

31 (b) The interest charge rate shall be the greater of the rate
32 prescribed quarterly in the Federal Register by the Department of the

1 Treasury for application to overdue payments, or the interest rate of
2 0.5 percent per month prescribed by section 6 of the Reclamation Project
3 Act of 1939 (Public Law 76-260). The interest charge rate shall be
4 determined as of the due date and remain fixed for the duration of the
5 delinquent period.

6 (c) When a partial payment on a delinquent account is received,
7 the amount received shall be applied first to the penalty and adminis-
8 trative charges, second, to the accrued interest, and third to the
9 overdue payment.

10 Furnishing of Water

11 8. (a) Upon payment of the water service charge(s) specified in
12 subarticle 5(a) above, the United States will furnish up to 181.2 acre-
13 feet of water to the Contractor from the Willamette Basin Project. The
14 initial quantity or base entitlement shall be 181.2 acre-feet. An
15 additional quantity of up to 271.8 acre-feet may be requested by the
16 Contractor and shall be furnished on an if-and-when-available basis. No
17 water shall be furnished if the Contractor is delinquent in payment of
18 the required water service charge(s).

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

21 #1 - 3,070 feet north and 1,280 feet east;
22 #2 - 1,830 feet north and 780 feet east;
23 #3 - 2,080 feet north and 210 feet west;
24 #4 - 1,750 feet north and 1,300 feet west of the southwest
25 corner of Sec. 26, T. 15 S., R. 5 W., W.M.

26 The Contractor shall receive said water at the point of diversion and
27 shall be wholly responsible for securing said water at that point and
28 diverting, conveying, and utilizing it. The water to be delivered
29 hereunder shall be measured by means of measuring or controlling
30 devices satisfactory to the Contracting Officer. Such devices shall

1 be furnished, installed, and maintained by and at the expense of the
2 Contractor, but they shall be and remain at all times under the control
3 of the United States or of an appropriate State-appointed watermaster
4 whose representative may at all times have access to them over any
5 lands of the Contractor. All losses of water from seepage, evaporation,
6 or other cause, below said point of measurement, shall be borne by the
7 Contractor.

8 (c) The monthly supply of water hereunder diverted in any
9 one month of the irrigation season shall not exceed 35 percent of the
10 total maximum annual diversion set forth in subarticle 8(a) above. The
11 Contractor shall, to the extent practicable, submit to the Contracting
12 Officer an advance schedule as to the precise time of water deliveries.
13 Changes in such schedule may be made only upon sufficient advance
14 notice to the Contracting Officer to allow him to adjust releases to
15 meet the new schedules. Upon the appointment of a State watermaster
16 to govern diversions from the stream concerned, the Contractor shall
17 be required to conform its diversions and releases to the control of
18 the stream as established by the watermaster.

19 (d) The Contractor and all other entities heretofore or
20 hereafter contracting with the United States for a right to use water
21 from the Willamette Basin Project shall, to the extent of their base
22 entitlement, have equal priority to the use of water from such project
23 so far as that may be physically practicable and legally possible,
24 without regard to the date of their respective contracts.

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Termination of Contract

11. This contract may be terminated and water service hereunder shall cease at the option of the United States at any time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

12. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. 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 from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Willamette Basin Project.

18 Disclaimer

19 13. No provision of this contract, nor of any renewal thereof, nor
20 the furnishing of water hereunder will be construed to bind the United
21 States after the expiration of this contract as the basis of a permanent
22 water right. Because of possible fluctuations in reservoir surface
23 elevations and downstream flows associated with the Willamette Basin
24 Project, the United States does not guarantee the availability of water
25 at the point of the Contractor's diversion facilities as they may now

1 be constructed or constructed hereafter. Further, the United States
2 will not be held responsible for any acts or omissions of the
3 Contractor's agents or of persons to whom water is furnished.

4 Notices

5 14. Any notice, demand, or request authorized or required by this
6 contract shall be deemed to have been given, on behalf of the Contractor,
7 when mailed, postage prepaid, or delivered to the Regional Director,
8 Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort
9 Street, Boise, Idaho 83724, and on behalf of the United States, when
10 mailed, postage prepaid, or delivered to Rock'n D Ranch, Inc.
11 207020 Ferguson Road, Junction City, Oregon 97448. The designation of
12 the addressee or the address may be changed by notice given in the same
13 manner as provided in this article for other notices.

14 General Provisions

15 15. The general provisions applicable to this contract are listed
16 below. The full text of these general provisions is attached as
17 Exhibit A and is hereby made a part of this contract.

- 18 a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- 19 b. WATER AND AIR POLLUTION CONTROL
- 20 c. QUALITY OF WATER
- 21 d. EQUAL OPPORTUNITY
- 22 e. COMPLIANCE WITH RECLAMATION LAWS
- 23 f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- 24 g. OFFICIALS NOT TO BENEFIT
- 25 h. WATER CONSERVATION

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

UNITED STATES OF AMERICA

David S. Roberts
ACTING
Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 West Fort Street
Boise ID 83724

Rockin D Ranch Inc
Contractor *Robert D. Roberts*

STATE OF IDAHO)
 : ss
County of Ada)

On this 1st day of August, 1989, personally appeared before me Paul D. Rachtke, 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 Bowie
(SEAL)

My commission expires: 5-23-94

* * * * *

STATE OF OREGON)
 : ss
County of Lane)

On this 9th day of May, 1989, before me,

Beverly J. Fiser, a Notary Public, personally appeared Ronald E. Detering, President of/
Rock'n D Ranch, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

Beverly J. Fiser
Notary Public in and for the
State of Oregon
Residing at Eugene, Oregon
(SEAL)

My commission expires:

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 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 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 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 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 discrimination because of 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 said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, 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 nondiscrimination clauses of this contract or with any of the 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 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 the 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 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.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. 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 shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to 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.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.