

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Lahontan Basin Area Office

CONTRACT FOR STORAGE OF FERNLEY MUNICIPAL CREDIT WATER  
AMONG THE UNITED STATES,  
THE CITY OF FERNLEY, AND  
THE WASHOE COUNTY WATER CONSERVATION DISTRICT

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Exhibit A – Payment Schedule

1 UNITED STATES  
2 DEPARTMENT OF THE INTERIOR  
3 BUREAU OF RECLAMATION  
4 Lahontan Basin Area Office

5 CONTRACT FOR STORAGE OF FERNLEY MUNICIPAL CREDIT WATER  
6 AMONG THE UNITED STATES,  
7 THE CITY OF FERNLEY, AND  
8 THE WASHOE COUNTY WATER CONSERVATION DISTRICT

9 THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_,  
10 pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388) (Reclamation Act) and acts  
11 amendatory or supplemental thereto and the Truckee-Carson-Pyramid Lake Water Rights  
12 Settlement Act of 1990 (Public Law 101-618; Act of November 16, 1990; 104 Stat. 3307)  
13 (Settlement Act), among the UNITED STATES OF AMERICA, hereinafter referred to as the  
14 United States, represented by the officer executing the Contract, hereinafter referred to as the  
15 Contracting Officer, the CITY OF FERNLEY, hereinafter referred to as Fernley, and the  
16 WASHOE COUNTY WATER CONSERVATION DISTRICT, hereinafter referred to as the  
17 Conservation District;

18 WITNESSETH, That:

19 EXPLANATORY RECITALS

20 WHEREAS, the United States and Fernley are **Signatory Parties** to the operating  
21 agreement, authorized and negotiated pursuant to Section 205(a) of the Settlement Act, entitled  
22 “Truckee River Operating Agreement,” dated September 6, 2008, hereinafter referred to as  
23 TROA; and

24 WHEREAS, the United States is the owner of the **Truckee River Reservoirs**; and

25 WHEREAS, pursuant to Section 7.F of TROA, Fernley has the ability to  
26 **Accumulate** water in the **Truckee River Reservoirs** and to do so, pursuant to Sections 7.A.2(b)  
27 and 7.F.4 of TROA, Fernley must have a storage contract with the United States and this  
28 Contract is intended to satisfy that requirement with respect to Fernley;

29 NOW, THEREFORE, in consideration of the covenants herein contained, the  
30 parties agree as follows:

31 DEFINITIONS

32 1. For purposes of this Contract, words which appear in bold face and with the first  
33 letter capitalized have the same definition as used in TROA. Terms used in this Contract which  
34 are not defined in TROA or in this Contract shall have their ordinary meaning.

35 (a) “Contracting Officer” means the Secretary’s duly authorized  
36 representative acting pursuant to this Contract or applicable Federal Reclamation law or  
37 regulation;

38 (b) “Year” means the 12-month period beginning on November 1 and ending  
39 on October 31.

40 (c) “CPI” means the Consumer Price Index as published in Series  
41 CUUR0400SAO (Western Region, Urban, All Items) published by the Bureau of Labor  
42 Statistics, and the use of that data shall be consistent with the Bureau of Labor Statistics’  
43 published methodology for using CPI data to determine price increases for price escalation  
44 provisions in contracts. In the event this CPI is no longer published, the parties shall mutually  
45 agree upon an equivalent index.

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TERM OF CONTRACT

2. (a) This Contract shall become effective on the date first written above and shall remain in effect for 40 years thereafter, which term shall include any period of time TROA is not in effect.

(b) This Contract shall be renewable for additional 40-year periods under terms and conditions contained in this Contract; except, that the storage charge shall be determined as provided in Article 5 of this Contract.

(c) Except as otherwise provided in Article 2(a), this Contract shall not be in effect when TROA is not in effect, except that any payment obligation of Fernley that is outstanding at that time shall survive, and any **Fernley Municipal Credit Water** in storage at that time shall be treated in accordance with Section 12.B of TROA and the payment obligations for that water under Articles 5, 7, and 11 of this Contract shall survive for that water.

PROVISIONS OF TRUCKEE RIVER OPERATING AGREEMENT CONTROLLING

3. This Contract is intended to be consistent with TROA, and shall be construed accordingly. In the event of a conflict between the provisions of this Contract and the provisions of TROA, the provisions of TROA shall control and, if necessary, this Contract shall be amended accordingly.

ACCUMULATION OF CREDIT WATER

4. (a) Fernley may **Accumulate Fernley Municipal Credit Water** in the **Truckee River Reservoirs** in accordance with TROA.

(b) By November 1<sup>st</sup>, Fernley shall submit to the Contracting Officer its estimate of the maximum amount of **Fernley Municipal Credit Water** for storage in **Truckee River Reservoirs** for that Year. Fernley may submit a revised estimate of **Fernley Municipal**

69 **Credit Water** for storage in **Truckee River Reservoirs** for that Year at any time. The estimate  
70 of the maximum amount of **Fernley Municipal Credit Water** for storage in **Truckee River**  
71 **Reservoirs** for the first year of the Contract shall be submitted 30 calendar days after the  
72 effective date of the Contract.

73 PAYMENT FOR STORAGE

74 5. (a) Fernley shall advance sufficient funds to the United States to cover the  
75 entire amount payable each Year to the United States for the estimated maximum storage, or any  
76 upward revision thereof, as provided in subdivision (b) of Article 4. At the time Fernley submits  
77 its estimate of the maximum amount of storage to be used in the Year, Fernley shall make an  
78 advance payment to the United States equal to the total amount payable pursuant to the  
79 applicable rates shown on Exhibit A for each acre-foot estimated to be stored. The payment for  
80 the estimated maximum amount of **Fernley Municipal Credit Water** for storage in **Truckee**  
81 **River Reservoirs** for the first year of the Contract shall be submitted 30 calendar days after the  
82 effective date of the Contract.

83 (b) The amount of any overpayment by Fernley by reason of the estimated  
84 actual maximum quantity of **Fernley Municipal Credit Water** stored in **Truckee River**  
85 **Reservoirs**, having been less than the quantity which Fernley estimated for that Year, shall be  
86 applied to the following Year's storage estimate as mutually agreed to between Fernley and the  
87 United States.

88 (c) The amount of the first annual payment under a renewal contract shall be  
89 based on the applicable rate for the final Year of the current Contract as shown on Exhibit A, and  
90 adjusted by a fixed annual inflator determined by applying the average of the last 40 years of the  
91 CPI prior to the renewal year as follows:

92 (1) If the stated 40-year average CPI is 2.569 or higher, the fixed  
93 annual inflator will be 3% for the term of the renewal contract, OR

94 (2) If the stated 40-year average CPI is between 2.11 and 2.568, the  
95 fixed annual inflator will remain at 2.335% for the term of the renewal contract, OR

96 (3) If the stated 40-year average CPI is 2.10 or lower, the fixed annual  
97 inflator will be 2.0% for the term of the renewal contract.

98 Exhibit A shall be updated accordingly.

99 (d) Payments received by the United States from the use of the **Truckee**  
100 **River Reservoirs** for the storage of **Fernley Municipal Credit Water** shall be applied annually,  
101 as directed by Section 205 (b)(2) of the Settlement Act, in the following order:

102 (1) To pay for the operation and maintenance costs of  
103 Stampede Reservoir;

104 (2) To be covered into the Lahontan Valley and Pyramid Lake Fish  
105 and Wildlife Fund;

106 (3) With funds not needed for the above purposes, if any, to be  
107 credited to the Reclamation Fund.

108 COMPENSATION TO CONSERVATION DISTRICT

109 6. Compensation to Conservation District for operation and maintenance of Boca  
110 Dam and Reservoir with respect to this Contract, shall be calculated and paid as an expense of  
111 administration of TROA in accordance with the provisions of Section 7.A.2(b)(3) of TROA and  
112 not under this Contract. Nothing in this Contract is intended to change any obligations of any  
113 **Person**, including Fernley, with respect to payments to Conservation District in connection with  
114 assessments or fees levied under authority other than TROA.

115 CONTRACT ADMINISTRATION COSTS

116 7. (a) In addition to the payment in Article 5 of this contract, Fernley shall  
117 advance sufficient funds annually to the United States, and shall maintain sufficient funds as  
118 further provided in Article 7(b), to cover all reimbursable costs associated with the United States  
119 administration of this Contract, including an appropriate share of indirect costs.

120 (b) Reimbursable costs will include, but are not necessarily limited to:  
121 (1) United States costs incurred during the performance reviews and audits for the Contract  
122 renewal; (2) development and review of Fernley's water conservation plan; (3) resolution of  
123 disputes under this Contract prior to the Contracting Officer referring such matter to the  
124 Department of Justice pursuant to Article 10(a); (4) attendance at meetings regarding this  
125 Contract; (5) general Contract administration; (6) National Environmental Policy Act and other  
126 environmental compliance costs or an applicable portion thereof; (7) those costs incurred in  
127 response to a specific request from Fernley; and (8) other costs directly related to the  
128 administration of this Contract.

129 (c) Within 10 business days after the effective date of this Contract, and  
130 30 days prior to the first day of each subsequent Year for the term of this Contract, the  
131 Contracting Officer shall provide Fernley with a budget showing the reimbursable costs  
132 anticipated to be incurred by the United States for the upcoming Year. Fernley shall pay the  
133 anticipated reimbursable costs to the United States within said 30 days.

134 (d) Fernley shall have 30 days to dispute the budget. If the budget is not  
135 disputed within 30 days, the budget will become accepted. If the budget is disputed within said  
136 30 days, the dispute resolution procedure shall apply; *Provided*, That Fernley shall still be

137 required to pay the anticipated reimbursable costs to the United States within said 30 days  
138 subject to adjustment based on the outcome of the dispute resolution.

139 (e) The Contracting Officer shall notify Fernley any time during the Year if it  
140 becomes apparent that the United States anticipated reimbursable costs will exceed the budget  
141 amount. Fernley shall pay the additional anticipated reimbursable costs to the United States  
142 within 30 days of receipt of the notice. If the additional monies are disputed, the dispute  
143 resolution procedure shall apply; *Provided*, That Fernley shall still be required to pay the costs to  
144 the United States within said 30 days subject to adjustment based on the outcome of the dispute  
145 resolution.

146 (f) Nothing in Article 7 of this Contract is intended to require, and Article 7  
147 of this Contract shall not be construed as requiring, Fernley to reimburse the United States for  
148 any cost or expense the United States is obligated to pay under the provisions of TROA.

149 WATER CONSERVATION

150 8. (a) Prior to the delivery of water provided from or conveyed through federally  
151 constructed or federally financed facilities pursuant to this Contract, Fernley shall develop a  
152 water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of  
153 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

154 (b) The water conservation plan referred to in Article 8(a) shall be the water  
155 conservation plan currently being developed by Fernley under this Contract or the “Agreement  
156 Between the City of Fernley and the United States Regarding Settlement of Claims and Protests  
157 Over Use of Federal Reclamation Facilities,” dated November 2009, which shall be submitted to  
158 the Contracting Officer for approval.



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UNITED STATES NOT LIABLE

9. There may occur at times during any Year a shortage in available storage space, depending on hydrology, demand, and Fernley’s water management decisions. If there is a shortage of storage space because of errors in physical operations of the facility, other physical causes beyond the reasonable control of the Contracting Officer, or actions taken by the Contracting Officer to meet current and future legal obligations, then no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect arising therefrom.

RESOLUTION OF DISPUTES

10. (a) Should any dispute arise concerning any of the provisions of this Contract, or the parties’ rights and obligations thereunder, other than disputes regarding the storage of water as provided in TROA, the parties to this Contract shall meet and confer within 30 days of providing written notice of the dispute to the other party. If the parties have not resolved the dispute within 90 days after such notice, or such other period as mutually agreed to, Fernley may commence any legal action, and the Contracting Officer may refer any matter to the Department of Justice; *Provided*, That the party shall provide to the other party 30-day written notice of the intent to take such action; *Provided, further*, That such notice and meet and confer process shall not be required where a delay in commencing an action would prejudice the interests of the party that intends to file suit.

(b) Should any dispute arise concerning the storage of **Fernley Municipal Credit Water** under TROA, the dispute shall be referred to the TROA dispute resolution process, in accordance with Section 2.B. of TROA. If the dispute involves a shortage of space in

181 the **Truckee River Reservoirs** resulting from causes or actions referred to in Article 9 of this  
182 Contract, the liability of the United States shall be limited as provided in that Article 9.

183 CHARGES FOR DELINQUENT PAYMENTS

184 11. (a) Fernley shall be subject to interest, administrative, and penalty charges on  
185 delinquent payments. If a payment is not received by the due date, Fernley shall pay an interest  
186 charge on the delinquent payment for each day the payment is delinquent beyond the due date. If  
187 a payment becomes 60 days delinquent, Fernley shall pay, in addition to the interest charge, an  
188 administrative charge to cover additional costs of billing and processing the delinquent payment.  
189 If a payment is delinquent 90 days or more, Fernley shall pay, in addition to the interest and  
190 administrative charges, a penalty charge for each day the payment is delinquent beyond the due  
191 date, based on the remaining balance of the payment due at the rate of 6 percent per year.  
192 Fernley shall also pay any fees incurred for debt collection services associated with a delinquent  
193 payment.

194 (b) The interest rate charged shall be the greater of either the rate prescribed  
195 quarterly in the Federal Register by the Department of the Treasury for application to overdue  
196 payments, or the interest rate of 0.5 percent per month. The interest rate charged will be  
197 determined as of the due date and remain fixed for the duration of the delinquent period.

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

201 CONFIRMATION OF CONTRACT

202 12. Promptly after the execution of this Contract, Fernley shall provide evidence to  
203 the Contracting Officer that, pursuant to the laws of the State of Nevada, Fernley is a legally  
204 constituted entity and the Contract is lawful, valid, and binding on Fernley. This Contract shall  
205 not be binding on the United States until such evidence has been provided to the Contracting  
206 Officer's satisfaction.

207 NOTICES

208 13. Any notice, demand, or request authorized or required by this Contract shall be  
209 deemed to have been given, on behalf of Fernley, when mailed, postage prepaid, or delivered to  
210 the Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage Way,  
211 Sacramento, CA, 95825-1898, and on behalf of the United States, when mailed, postage prepaid,  
212 or delivered to the City Manager, City of Fernley, 595 Silver Lace Blvd. Fernley, NV, 89408.  
213 The designation of the addressee or the address may be changed by notice given in the same  
214 manner as provided in this article for other notices.

215 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

216 14. The expenditure or advance of any money or the performance of any obligation of  
217 the United States under this Contract shall be contingent upon appropriation or allotment of  
218 funds. Absence of appropriation or allotment of funds shall not relieve Fernley from any  
219 obligations under this Contract. No liability shall accrue to the United States in case funds are  
220 not appropriated or allotted.

221 OFFICIALS NOT TO BENEFIT

222 15. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
223 Fernley shall benefit from this Contract other than as a water user or landowner in the same  
224 manner as other water users or landowners.

225 ASSIGNMENT LIMITED-SUCCESSORS AND ASSIGNS OBLIGATED

226 16. The provisions of this Contract shall apply to and bind the successors and assigns  
227 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein  
228 by either party shall be valid until approved in writing by the other party.

229 BOOKS, RECORDS, AND REPORTS

230 17. Fernley shall establish and maintain accounts and other books and records  
231 pertaining to administration of the terms and conditions of this Contract, including Fernley’s  
232 financial transactions; water supply data; project operation, maintenance, and replacement logs;  
233 project land and rights-of-way use agreements; the water users’ land-use (crop census), land-  
234 ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may  
235 require. Reports shall be furnished to the Contracting Officer in such form and on such date or  
236 dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations,  
237 each party to this Contract shall have the right during office hours to examine and make copies  
238 of the other party’s books and records relating to matters covered by this Contract.

239 EQUAL EMPLOYMENT OPPORTUNITY

240 18. During the performance of this Contract, Fernley agrees as follows:

241 (a) Fernley will not discriminate against any employee or applicant for  
242 employment because of race, color, religion, sex, disability, or national origin. Fernley will take  
243 affirmative action to ensure that applicants are employed, and that employees are treated during  
244 employment, without regard to their race, color, religion, sex, disability, or national origin. Such  
245 action shall include, but not be limited to the following: employment, upgrading, demotion, or  
246 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms  
247 of compensation; and selection for training, including apprenticeship. Fernley agrees to post in  
248 conspicuous places, available to employees and applicants for employment, notices to be  
249 provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

250 (b) Fernley will, in all solicitations or advertisements for employees placed by  
251 or on behalf of Fernley, state that all qualified applicants will receive consideration for  
252 employment without regard to race, color, religion, sex, disability, or national origin.

253 (c) Fernley will send to each labor union or representative of workers with  
254 which it has a collective bargaining agreement or other contract or understanding, a notice, to be  
255 provided by the Contracting Officer, advising the labor union or workers' representative of  
256 Fernley's commitments under section 202 of Executive Order 11246 of September 24, 1965 (EO  
257 11246), and shall post copies of the notice in conspicuous places available to employees and  
258 applicants for employment.

259 (d) Fernley will comply with all provisions of EO 11246, and of the rules,  
260 regulations, and relevant orders of the Secretary of Labor.

261 (e) Fernley will furnish all information and reports required by EO 11246, and  
262 by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will  
263 permit access to books, records, and accounts by the Contracting Agency and the Secretary of  
264 Labor for purposes of investigation to ascertain compliance with such rules, regulations, and  
265 orders.

266 (f) In the event of Fernley's noncompliance with the nondiscrimination  
267 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be  
268 canceled, terminated or suspended in whole or in part and Fernley may be declared ineligible for  
269 further Government contracts in accordance with procedures authorized in EO 11246, and such  
270 other sanctions may be imposed and remedies invoked as provided in EO 11246 or by rule,  
271 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

272 (g) Fernley will include the provisions of paragraphs (1) through (7) in every  
273 subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
274 Secretary of Labor issued pursuant to section 204 of EO 11246, so that such provisions will be  
275 binding upon each subcontractor or vendor. Fernley will take such action with respect to any  
276 subcontract or purchase order as may be directed by the Secretary of Labor as a means of  
277 enforcing such provisions, including sanctions for noncompliance: *Provided, however,* that in  
278 the event Fernley becomes involved in, or is threatened with, litigation with a subcontractor or  
279 vendor as a result of such direction, Fernley may request that the United States enter into such  
280 litigation to protect the interests of the United States.

281 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

282 19. (a) Fernley shall comply with Title VI of the Civil Rights Act of 1964  
283 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V,  
284 as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,  
285 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990  
286 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and  
287 with the applicable implementing regulations and any guidelines imposed by the U.S.  
288 Department of the Interior and/or Bureau of Reclamation.

289 (b) These statutes prohibit any person in the United States from being  
290 excluded from participation in, being denied the benefits of, or being otherwise subjected to  
291 discrimination under any program or activity receiving financial assistance from the Bureau of  
292 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this  
293 Contract, Fernley agrees to immediately take any measures necessary to implement this  
294 obligation, including permitting officials of the United States to inspect premises, programs, and  
295 documents.

296 (c) Fernley makes this agreement in consideration of and for the purpose of  
297 obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal  
298 financial assistance extended after the date hereof to Fernley by the Bureau of Reclamation,  
299 including installment payments after such date on account of arrangements for Federal financial  
300 assistance which were approved before such date. Fernley recognizes and agrees that such  
301 Federal assistance will be extended in reliance on the representations and agreements made in  
302 this article and that the United States reserves the right to seek judicial enforcement thereof.

303 (d) Complaints of discrimination against Fernley shall be investigated by the  
304 Contracting Officer’s Office of Civil Rights.

305 CERTIFICATION OF NONSEGREGATED FACILITIES

306 20. Fernley hereby certifies that it does not maintain or provide for its employees any  
307 segregated facilities at any of its establishments and that it does not permit its employees to  
308 perform their services at any location under its control where segregated facilities are  
309 maintained. It certifies further that it will not maintain or provide for its employees any  
310 segregated facilities at any of its establishments and that it will not permit its employees to  
311 perform their services at any location under its control where segregated facilities are  
312 maintained. Fernley agrees that a breach of this certification is a violation of the Equal  
313 Employment Opportunity clause in this Contract. As used in this certification, the term  
314 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,  
315 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,  
316 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing  
317 facilities provided for employees which are segregated by explicit directive or are in fact  
318 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,  
319 disability, or otherwise. Fernley further agrees that (except where it has obtained identical  
320 certifications from proposed subcontractors for specific time periods) it will obtain identical  
321 certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000  
322 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it  
323 will retain such certifications in its files; and that it will forward the following notice to such  
324 proposed subcontractors (except where the proposed subcontractors have submitted identical  
325 certifications for specific time periods):

326 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR  
327 CERTIFICATIONS OF NONSEGREGATED FACILITIES

328 A Certification of Nonsegregated Facilities must be submitted prior to the award of a  
329 subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal  
330 Employment Opportunity clause. The certification may be submitted either for each  
331 subcontractor for all subcontracts during a period (i.e., quarterly, semiannually, or  
332 annually). Note: The penalty for making false statements in offers is prescribed in  
333 18 U.S.C. § 1001.

334 MEDIUM FOR TRANSMITTING PAYMENTS

335 21. (a) All payments from Fernley to the United States under this Contract shall  
336 be by the medium requested by the United States on or before the date payment is due. The  
337 required method of payment may include checks, wire transfers, or other types of payment  
338 specified by the United States.

339 (b) Upon execution of the contract, Fernley shall furnish the Contracting  
340 Officer with Fernley’s taxpayer’s identification number (TIN). The purpose for requiring  
341 Fernley’s TIN is for collecting and reporting any delinquent amounts arising out of Fernley’s  
342 relationship with the United States.

343 CONTRACT DRAFTING CONSIDERATIONS

344 22. This Contract has been, negotiated and reviewed by the parties hereto, each of  
345 whom is sophisticated in the matters to which this Contract pertains. Articles 1 through 10 of  
346 this Contract have been drafted, negotiated, and reviewed by the parties, and no one party shall  
347 be considered to have drafted the stated articles.

348 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of  
349 the day and year first written above.

350 UNITED STATES OF AMERICA

351 By: \_\_\_\_\_  
352 Regional Director, Mid-Pacific Region  
353 Bureau of Reclamation

354 CITY OF FERNLEY

355 By: \_\_\_\_\_  
356 Mayor

357 Attest: Approved as to form:

358 By: \_\_\_\_\_ By: \_\_\_\_\_  
359 City Clerk City Attorney

360 WASHOE COUNTY WATER CONSERVATION  
361 DISTRICT

362 By: \_\_\_\_\_  
363 President, Board of Directors

364 Attest:

365 By: \_\_\_\_\_  
366 Secretary

EXHIBIT A

PAYMENT SCHEDULE BASED ON ANNUAL INFLATOR OF 2.335%

<b>Year</b>	<b>Annual Cost per Acre-foot</b>
2017	8.500
2018	8.698
2019	8.902
2020	9.109
2021	9.322
2022	9.540
2023	9.763
2024	9.991
2025	10.224
2026	10.463
2027	10.707
2028	10.957
2029	11.213
2030	11.474
2031	11.742
2032	12.017
2033	12.297
2034	12.584
2035	12.878
2036	13.179
2037	13.487
2038	13.802
2039	14.124
2040	14.454
2041	14.791
2042	15.136
2043	15.490
2044	15.852
2045	16.222
2046	16.600
2047	16.988
2048	17.385
2049	17.791
2050	18.206



EXHIBIT A – continued

PAYMENT SCHEDULE BASED ON ANNUAL INFLATOR OF 2.335%

2051	18.631
2052	19.066
2053	19.511
2054	19.967
2055	20.433
2056	20.910

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